

السنة الجديدة

Weekend

FINANCIAL TIMES

Weekend FT
John and Jacques -
the odd couple



Life stripped to
its essentials



Shaving - how it
should be done



SECTION II
World Business Newspaper

WEEKEND MAY 18/MAY 19 1996

Everest storms

Japanese climbers are accused of walking past three dying Indian mountaineers during last week's blizzards on Everest. FT Journalist Richard Cowper is among those currently on the mountain. Read his dramatic report. Weekend FT, Section II

Honda plans 50% rise in US engine output

By Michio Nakamoto in Tokyo and Haig Simonian in London
Honda, Japan's third-largest motor group, is to boost its US engine production capacity by 50 per cent as part of a continuing strategy to cut costs by locating more manufacturing outside Japan.
The aggressive expansion, which is expected to create 2,000 jobs, also highlights Honda's strong rebound in the US market. US car sales by Japanese makers have weakened significantly in recent years, hurt by trade politics and the effect of the strong yen on prices of imported models and components.
But Honda's Accord model jumped back in the first four months of this year to become the biggest-selling car in the US market. It last held that status in 1991.
In an interview, Mr Nobuhiko Kawamoto, Honda's president, said the company's recent expansions in North and South America were part of its broader strategy to make use of regional trading blocs, such as Nafta and Mercosur. The aim was to develop a network of interconnected manufacturing sites which would "compensate" each other by cross-shipping of important components, and which would become increasingly independent of parts shipments from Japan.
However, Mr Kawamoto cautioned against Japanese carmakers expanding production and sales too rapidly in the US. He feared this could unleash a fresh political backlash.
The present relatively strong US market for cars and light trucks created a reasonably favourable climate for Japanese carmakers to grow. But he warned that the speed of raising production "is really related to political issues, to whether Detroit is happy or not."
Mr Kawamoto also said that the recent dispute between Mitsubishi's US carmaking subsidiary and federal agencies over alleged sexual harassment had increased Japanese carmakers' concern.

Call for regular US-China summits to end rift

By Nancy Dunne in Washington
Mr Warren Christopher, US secretary of state, yesterday called for the introduction of regular US-China summits to help repair a troubled bilateral relationship in which the US had "tremendous stakes".
In a landmark speech, Mr Christopher told a group of Asian experts in New York that the US should rebuild the bipartisan consensus in dealing with China that has been frayed since the Tiananmen square massacre of 1989.
The speech appears to have been designed to counter accusations at home and abroad that the Clinton administration has lacked a coherent China policy.
Despite the looming threat of trade sanctions over intellectual property rights, Mr Christopher adopted a conciliatory tone.
He welcomed China's emergence on the international stage and reaffirmed Washington's "one-China" policy of recognising the government in Beijing rather than Taipei.
"Democratising China is as dangerously misleading as romanticising it," he said. The US wanted dialogue with China to manage differences, but would not hesitate to take action necessary to protect its interests.
Mr Christopher reaffirmed in forceful terms President Bill Clinton's intention of renewing China's Most Favoured Nation trade status, which gives it the same low tariffs as most US trading partners.
"The MFN debate should not be a referendum on China's current political system or on whether we approve of the policies of the Chinese leadership. The issue at stake is whether renewing MFN unconditionally is the best way to advance American interests. The president and I are convinced the answer is a resounding yes."
But deployment of US naval

Chirac unable to sway EU sceptics during British visit

French president Jacques Chirac left London after a four-day state visit admitting he may have failed to dispel the image among sceptics of a Europe conspiring against Britain. His visit was hailed by both countries as a success but the more immediate objective of promoting EU integration made little progress. Page 4

Boca may make play for \$20m

Argentina's legendary but success-starved soccer club Boca Juniors is considering trying to tap Buenos Aires' volatile stock market for about \$20m to revive its fortunes. Page 22

Murdoch and BT in digital TV talks

British Telecommunications is in advanced talks with Rupert Murdoch's BSkyB about a joint venture to promote digital television and interactive services in the UK. Page 22 and Lex

Hopes for Gibraltar talks

An election win by the pro-business Social Democrats in Gibraltar has fuelled hopes of diplomatic progress between Spain and Britain over the disputed colony. Page 2

BET chief dismissed

BET chief executive John Clark has been dismissed after refusing to accept a pay-off from Rentokil which last month paid \$2.2bn (\$3.3bn) for the UK business services group. Page 6

Glassmaker to axe 300 German jobs

UK glassmaker Pilkington is to shed more than 600 jobs over the next three years, including 300 in Germany. Page 4

BJP to push India's privatisations

India's Bharatiya Janata party would speed privatisation if it can to form a government, the party's finance minister Jaswant Singh said. Page 3

Power shares boost London stocks

News of a special dividend from UK electricity generator National Power, plus gains in gilts and takeover speculation took the FT-SE 100 index sharply upwards to end the day 36 points ahead at 3,799.6, fractionally below the day's high.
The rise left the index up 55.2 over the week. In New York, the Dow Jones industrial average came close to its previous closing high of 5,699.74, before slipping back. National Power results, Page 6; World stocks, Page 17; London stocks, Page 19; Markets, Weekend FT Page XXXII

PC maker to create 1,200 jobs in Ireland

US-based personal computer maker Gateway 2000 said it planned to spend \$40m on expanding its plant in Dublin. It will increase its Irish workforce from 1,100 to 2,300.

Manila disputes Chinese map

Relations between China and the Philippines worsened after Manila protested at a map unveiled in China last week which appeared to extend Beijing's territorial claims in the South China Sea. Page 3

Reward for HK publisher's attackers

Hong Kong journalists and publishers offered a reward of HK\$5m (US\$617,000) for the capture of two men who attacked publisher Leung Tin-wai in his office - cutting his left arm off.

Russia and UK order tit-for-tat embassy expulsions

By Chrystia Freeland in Moscow and John Kampfer in London
The biggest diplomatic row between Russia and the west since the end of the cold war drew to a close yesterday, when Moscow expelled four UK embassy staff and the UK responded in kind.
British officials and Russian analysts said the low-key tit-for-tat exchange came after a carefully arranged deal between Moscow and London, with both sides seeking to minimise damage caused by initial accusations of British spying.
The dispute, set off earlier this month when Moscow accused up to nine British diplomats of running a spy ring, raised deeper concerns that the Kremlin could be returning to Soviet-style hostility towards the west.
Yesterday morning Sir Andrew Wood, the British ambassador in Moscow, was called to the Russian foreign ministry, where he was told that four British diplomats were required to leave the country within the next few days.
A few hours later Sir Nicholas Bonsor, foreign office minister, summoned Mr Anatoly Adamishin, the Russian ambassador in London, and handed him the names of four Russian embassy staff who must be withdrawn within the next fortnight. A British minister said last night the UK assumed both sides wanted to "draw a line under the affair". He said Britain had left Russia "in no doubt that any expulsion would meet an appropriate response".
The British side also made clear it would respond in kind to any further round of expulsions, though ministers believe an escalation is highly unlikely.
UK officials said the Russians, who have been given two weeks to leave, were believed to have worked for the security services gathering "scientific, technological, political and economic intelligence". However, they acknowledged that the four embassy staff were also picked out as they were the nearest equivalents to a British expellee.
"We are acting in direct retaliation to the Russian action," a Foreign Office official said.
In an apparent conciliatory sign, none of the four British to be expelled has been declared persona non grata - which in theory allows them to return to Russia at a later date. When the controversy first erupted, most analysts viewed it as part of the campaign strategy of Mr Boris Yeltsin, the Russian president, who has been adopting more aggressive nationalist rhetoric in an effort to win the June 16 presidential poll.
But later developments suggested one of the driving forces behind the spy charges is a bitter internal battle between Russia's headline counter-intelligence service (FSB) and the more moderate foreign ministry.
The FSB, headed by General Mikhail Barsukov, an outspoken critic of the west and a member of the president's inner circle, set off the scandal last week when it announced that it had arrested a Russian official who had allegedly admitted to working as a British agent.
But, in public comments and private diplomacy, the foreign ministry immediately sought to play down the affair and limit its damaging repercussions on relations between Russia and the west.
Gorbachev the martyr, Page 2



Romano Prodi (left), leaving a meeting with Italian president Oscar Luigi Scalfaro, is due to be sworn in today as Italy's 56th postwar prime minister after naming a team of ministers drawn from moderates in the centre-left Olive Tree alliance. Report, Page 2

Sony sparks video game war by cutting price of top seller

By Alice Rawsthorn in London
Another battle has broken out in the Japanese video games industry with Sony's announcement that it is slashing the price of its fastest-selling product.
The audio and electronics group is cutting the cost of its PlayStation 32-bit game disc player by a third to ward off competition from Nintendo's forthcoming 64-bit system.
The price of PlayStation, Sony's fastest-selling new product ever, is to fall by \$100 to \$199 in the US, by \$100 (\$151) to \$199 in the UK, and by comparable levels elsewhere.
The Sony announcement was made at the same Los Angeles trade fair where on Wednesday Nintendo unveiled the long-awaited Nintendo 64, which is faster and more powerful than the PlayStation and Sega's 32-bit player, the Saturn.
The Nintendo 64 will be launched in Japan at the end of this month, a year later than expected.
The company this week said the system would be introduced in North America on September 30, priced at \$250, with a \$80m advertising campaign. A launch date for Europe has yet to be set.
Mr Nick Gibson, a games analyst at Durlacher Securities in London, said the launch of Nintendo 64 was "bound to be a success" because of the power of the system and the strength of the Nintendo brand name.
Other analysts expressed concern about the likely prices of game discs for the new players. These are expected to retail at \$70, against \$50 for those of the PlayStation and Saturn.
There will also be fewer Nintendo games available - only six initially - and up to 15 by Christmas, against 100 for the 32-bit systems.
Sony and Sega have been locked in intense competition since the PlayStation and Saturn went on sale in Japan in 1994. Nintendo did not launch a 32-bit system, preferring to jump directly to the 64-bit format.
Sales of video games, one of the most dynamic product lines of the 1990s, fell sharply during

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STOCK MARKET INDICES

FT-SE 100	3,799.6	(+36.0)
Yield	3.94	
FT-SE Eurotrack 100	1,699.94	(-1.69)
FT-SE A-All-Share	1,901.77	(+0.84%)
Nikkei	21,916.6	(-230.61)
New York lunchtime		
Dow Jones Ind Ave	5,692.33	(+7.28)
S & P Composite	668.66	(+3.81)

US LUNCHTIME RATES

Federal Funds	5 1/4%
3-m Treas Bill: Yld	5.134%
Long Bond	8.9%
Yield	8.894%

STERLING

New York lunchtime	\$ 1.5143
London:	
\$	1.5157 (1.5117)
DM	2.3132 (2.3231)
FF	7.8356 (7.9651)
SFr	1.8961 (1.9028)
Y	161.537 (161.223)
£ Index	84.4 (84.5)
Tokyo close	Y 106.8

DOLLAR

New York lunchtime	DM 1.53
FF	6.18225
SFr	1.2556
Y	106.8
London:	
DM	1.5262 (1.5366)
FF	5.4998 (5.209)
SFr	1.251 (1.2588)
Y	106.845 (106.655)
£ Index	96.8 (97.0)
Tokyo close	Y 106.8

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NEWS: INTERNATIONAL

INTERNATIONAL NEWS DIGEST

Imports surge lifts US deficit

A surge in imports led to a sharp increase in the US trade deficit in March, the commerce department said yesterday. The deficit rose to \$8.9bn against economists' projections of a gap of about \$8.5bn. However, the March shortfall was significantly higher than the deficit in February, which was revised down to \$7bn from an initial estimate of \$8.2bn.

Bulgaria moves on ailing banks

The Bulgarian National Bank yesterday placed two of the country's commercial banks under strict supervision, in a move that could lead to their early liquidation. The central bank, which this week acquired tough powers to force insolvent banks into bankruptcy, dismissed the senior management of both the state-owned Mineral Bank and the privately owned First Private Bank, two of the weakest institutions in the crumbling Bulgarian banking system.

Taiwanese growth held back

Taiwan's gross domestic product grew 5.31 per cent during the first quarter of this year, higher than the 4.96 per cent recorded in the final period of 1995 but below a forecast of 5.5 per cent. The director-general of budget, accounting and statistics said growth was held back mostly by a slowdown in service sectors and a decline in domestic investment. Exports and imports rose by only 9.3 per cent and 5.7 per cent respectively in the first quarter, partly due to strained relations with China.

Japan's money supply slows

Slightly slower growth in Japanese money supply last month is likely further to damp speculation of an imminent rise in official interest rates. The most commonly used measure, M2 plus certificates of deposits, grew 3 per cent in April, slightly down from 3.1 per cent in March, according to a preliminary report from the Bank of Japan. Economists greeted the slowdown as a sign that the economic recovery is still modest.

Athens reviews bourse rule

Mr Yannis Papanitou, Greece's economy minister, yesterday pledged to exempt foreign and Greek institutional investors from new rules that require shares in construction and high-technology companies listed on the Athens stock exchange to be registered under the names of individual owners. A new law will allow pension and investment funds, banks, insurance companies and other institutions to register shares in the name of companies and legal representatives.

Rates raised again in S Africa

South Africa's commercial banks raised their prime lending rates by 1 point to 20.5 per cent yesterday, the second increase in three weeks. The previous increase followed the Reserve Bank's decision to lift its bank rate by 1 percentage point to 16 per cent, but this time the banks acted on their own. Standard Bank said the increase had been necessitated by the weakening and volatility of the rand, lack of liquidity in the money market and a rise in short-term money rates.

Worldwide Residential Property Supplement on Saturday, June 1. This will be the second broadsheet colour supplement of the year, entirely devoted to the Worlds Property market.

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Voters ready to crucify Gorbachev the martyr

Chrystia Freeland, on the campaign trail with a deeply unpopular former Soviet president, finds the inveterate politician undeterred

Mikhail Gorbachev is a hero in the west for freeing eastern Europe from Soviet domination and bringing democracy to his own enslaved land. But, as he tours Russia campaigning for next month's presidential elections, the Nobel prize-winning former Soviet leader is discovering that his greatest political achievement has become his biggest political handicap.

When Mr Gorbachev, who stands at only 1 or 2 per cent in most opinion polls, this week addressed a packed hall of sun-burnt farmers in Krasnogvardeysk, a small town in southern Russia where he attended primary school, he was heckled by an audience openly yearning for a return to communism. Mr Gorbachev's rhetorical question: "Should we give power back to the communists?" was greeted by enthusiastic clapping and shouts of "Yes, the communists. It was better then" and "You sold off the country."

Mr Gorbachev has another reason to feel hard done by. In contrast with western countries, where former leaders, particularly those of Mr Gorbachev's international stature, have a respected role as elder statesmen, the ex-president has become a non-person in Boris Yeltsin's Russia. Mr Yeltsin's apparent decision to block all

Mr Gorbachev's rhetorical question: "Should we give power back to the communists?" was greeted by enthusiastic clapping and shouts of "Yes, the communists. It was better then" and "You sold off the country"

responded with anger: "Who doesn't want me, let him go to the party he chooses, that is his right. But this is what I am calling for, I will stand to the end. Crucify me if you will, I remember Jesus Christ when he went to Calvary. They spit on him, they spit and shouted: 'Crucify him'. Is that not a lesson for us? Are we humans or are we not? Will we become citizens?"

CIS leaders try to bolster Yeltsin's poll prospects

The leaders of 11 former Soviet republics yesterday gave open and unanimous endorsement to Russia's President Boris Yeltsin in an attempt to boost his election campaign. The leaders voiced concern that a Communist victory in the presidential election on June 16 might stoke a civil war in Russia or jeopardise their independence.

The former Soviet republics. In the past two months the president has signed a new "union" treaty with Belarus and ensured Kyrgyzstan joined the Moscow-led customs union made up of Belarus, Kazakhstan and Russia.

Some CIS leaders have pinned hopes for their economic welfare on Mr Yeltsin. But Mr Yeltsin's record over the past four years leaves other neighbours ambivalent and cautious in their dealings with Moscow. Russia stoked - then extinguished - civil wars in Moldova and Georgia.

Prodi picks team of moderates

Mr Romano Prodi will be sworn in as Italy's 55th post-war prime minister today after unveiling a team of ministers drawn from moderates in the centre-left Olive Tree alliance. For a government brought to power thanks to the former communist Party of the Democratic Left (PDS) the influence of the left is limited. The PDS, which dominates the alliance, agreed to be under-represented in order to give the Prodi government a broader appeal.



Gibraltar's new leader promises better relations with Madrid

A sweeping election victory yesterday by the pro-business Gibraltar Social Democrats (GSD) has fuelled hopes of diplomatic progress between Madrid and London over the disputed British colony. The verdict by Gibraltar's 18,400 voters ended eight years in power for Mr Joe Bossano, a former trade unionist and leader of the Gibraltar Socialist Labour Party (GSLP). Mr Bossano aggressively sought self-determination for the six-square-kilometre Rock and refused to attend talks between Spain and Britain, brokered by the European Union, over its future constitutional status.

With Spain and London to consider imposing direct rule. An early outcome of the new political climate could be the implementation of a 1987 agreement between London and Madrid for the dual use of Gibraltar airport, which is on the narrow isthmus linking the Rock to Spain. Mr Bossano, who was elected chief minister early in 1988, blocked the agreement and Spain subsequently vetoed Gibraltar's inclusion as a European regional airport, thereby drastically reducing access to the Rock and damaging its economy.

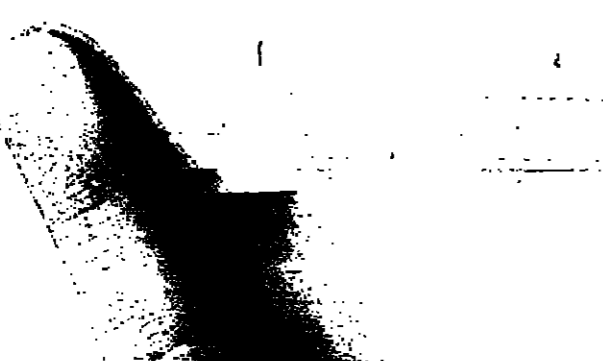
Footballers restore east Germans' pride

Hansa Rostock's winning ways are lifting self-confidence, writes Frederick Stüdemann

In the fields of politics and economics, east Germans may have been indignantly bundled under the wing of their western cousins. But on the football pitch they have something to cheer about: Hansa Rostock. Having trounced most western rivals in the domestic league, including Bayern Munich and Borussia Dortmund, Rostock has now set its sights on a bigger goal - the UEFA Cup. To get there Rostock, currently fifth in the Bundesliga, needs to beat FC Cologne, placed 15th, this afternoon.

Unlike the big western clubs, whose players earn millions of D-Marks and are treated like stars, the Rostock team is unassuming. Players' earnings average DM250,000 (\$163,000) a year and while their western colleagues typically enjoy winter training breaks in the Canary Islands, they stay at home. This image of a young and unspoilt team has attracted many west German fans tired of the excessive behaviour of players closer to home.

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Jaswant Singh, India's new finance minister, favours a further cut in the fiscal deficit and speeding up privatisation

BJP government 'would seek faster growth'

By Mark Nicholson in New Delhi

A Bharatiya Janata party government in India would accelerate privatisation, continue economic reforms, further cut the country's fiscal deficit and aim for growth of 8 per cent within two years, Mr Jaswant Singh, the BJP's new finance minister, said on his first day in office.

and reiterated party policy that the "consumer non-durables sector will not be opened up for foreign investment". Mr Singh did not clarify how or where the party would reverse existing reforms, though he indicated that any opening of the country's state-run insurance industry would first be limited to entrants from the Indian private sector. Congress, which made only limited moves towards insurance liberalisation, had indicated foreign groups would be allowed immediate entry.

Mr Singh, who is widely viewed as on the more "liberal" side of the BJP and is well regarded by the financial markets, said that India's present high interest rates and high fiscal deficit of 5.9 per cent of GDP signalled that there were "very serious areas of concern in the economy". He said it should be "reasonable" for a BJP government to cut the fiscal gap to 4.5 per cent of GDP within two years.

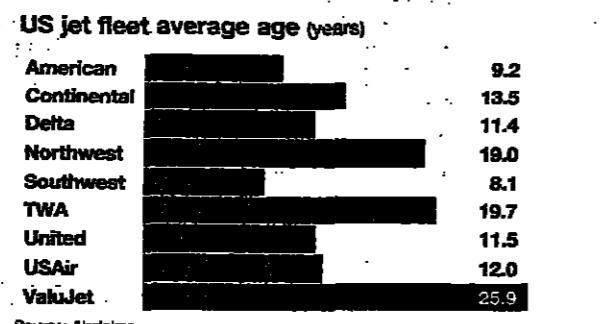
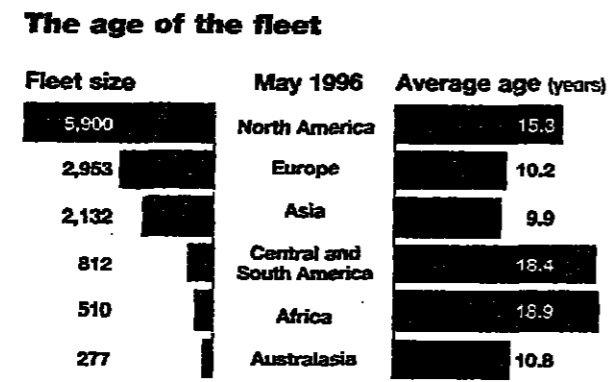
By curbing government spending and "unrestrained government borrowing". The BJP would also establish a special commission to study ways of accelerating the privatisation of state assets, which have proceeded in a slow, limited manner under Congress. Mr Singh said India could comfortably absorb double the present annual level of around \$2bn in foreign direct investment which, he said, the party believed should be directed into infrastructure and high-technology sectors. "So far as percentage holding in equity of companies is concerned," he said, "we would feel happy if foreign entrepreneurs undertook their activities along with Indian partners".

Mr Singh said a BJP government would not make the rupee convertible on the capital account for "two to three years". Over the same period, he said, policies would be introduced to raise India's savings rate by more than 5 percentage points to 30 per cent - a level closer to India's faster-growing South Asian neighbours - and raise economic growth from the present 6 per cent by up to 2 percentage points.

Old aircraft rise above clouds of doubt

Michael Skapinker examines the airline industry's argument that age does not equate with higher risk

Is it safe to fly in old aircraft? Air safety officials in the US say they still do not know the cause of last weekend's ValuJet DC-9 crash in the Florida Everglades, which killed 110 people, but they do know the aircraft was 27 years old.



Mr Chris Avery, an aviation analyst at Paribas Capital Markets, says he doubts the travelling public will refuse to fly on older aircraft, mainly because they are unlikely to know that they are old, particularly if the interior has been refurbished. "You have to be a plane-spotter to know the difference. And even then, if you've bought a ticket and you see it's a DC-9, you're not going to walk away," he says.

contrast, European aircraft have an average age of 10.2 years. Asia has the world's youngest aircraft at 9.9 years. Only in Latin America and Africa, where the average age of the civil fleet is more than 18 years, are aircraft older than those in the US.

Analysis points to the fierce competition, low fares and tight margins in the US aviation industry as reasons why US airlines hold on to their aircraft rather than investing in new ones. Among US airlines, however, the age of aircraft varies widely. ValuJet, which offers cut-price fares, has one of the oldest fleets in the country. The average age of its aircraft is 25.9 years, according to Airclaims. But not all budget airlines use old aircraft. Southwest, one of the leading US cut-price carriers, has an average fleet age of only 8.1 years.

Airline profits are buoyant, with some indications that carriers are starting to invest in new aircraft. The International Air Transport Association, which represents airlines worldwide, says carriers ordered 714 aircraft last year, against 361 in 1994. Mr Avery says, however, that many airlines are likely to stick with their older aircraft because they are finding it difficult to buy new ones. While there are larger aircraft avail-

able for purchase, there is a shortage of narrow-bodied models, such as certain versions of the Boeing 737.

Both Boeing and the US and Airbus Industrie, the European manufacturing consortium, have stepped up production of smaller aircraft. Boeing says that in the first quarter of 1997 it will increase production of 737s, which carry up to 146 passengers, from 8.5 to 10 a month. Output of 757s, which have up to 230 passengers, will go from three to four a month, although there will also be a small increase in production of the 400-seat 747.

Mr Hoser says his bank will not finance the lease of an aircraft over 15 years old, but that is because it prefers to deal with blue-chip airlines which represent less of a financial risk and which tend to buy newer aircraft. Many air travellers are likely to remain sceptical, reasoning that older aircraft, with years of wear and tear, must be less safe than new ones - and US aircraft are surprisingly old.

those DC-9s stay in service longer. The DC-9, built by McDonnell Douglas of the US, first went into service in 1965. The last one was made in 1982. Of the 976 that were manufactured, 877 are still in service. A DC9 was also involved in a fatal accident in 1994, when a USAir flight crashed in the North Carolina, killing 37 of the 57 people on board.

The history of airline accidents, however, suggests that flying in a new aircraft is not a guarantee of safety. About 70 per cent of aircraft crashes are the result of human error rather than technical problems. One of the most notorious occurred in 1994, when an Aeroflot A310 crashed after the pilot allowed his son to take the controls. In spite of these incidents, the industry argues that flying has never been safer. In 1993, a particularly safe year for the US industry, Boeing pointed out that more people had been killed in incidents involving animal-drawn vehicles than in aircraft crashes.

Worldwide, 1,101 people died in aircraft accidents last year, according to the International Civil Aviation Organisation. The United Nations estimates that 500,000 people die annually on the roads, excluding China. Including China, the figure could be 1m.

Orange County targets Wall St

By Christopher Parkes in Los Angeles

California's bankrupt Orange County will return to Wall Street next month for the first time in 14 months - with almost \$1bn worth of debt to sell and writs claiming unspecified damages from a "wide range" of investment and law firms.

The once wealthy local authority, humbled by the collapse and loss of more than \$1.6bn from its derivatives-based investment pool in late 1994, announced its offensive against a federal bankruptcy judge approved its recovery plan this week.

Armed from a \$50m litigation war chest and the blessing of Judge John Ryan, former state treasurer Mr Thomas Hayes will implement threats made in January to seek reparation from up to 20 firms.

Orange County, which is advising its former lead adviser, Merrill Lynch, and auditor KPMG Peat Marwick for about \$5bn, aims to use any court awards to pay back regional education authorities, utilities and other bodies which lost reserves invested in the county pool.

Proceeds of the debt issue planned for mid-June will be used partly to reimburse contractors, vendors and other outside suppliers left stranded when the pool was liquidated after interest rates rose, against the expectations of the former county treasurer, Mr Robert Citron.

County bodies' hopes of restoring their fortunes lie solely in the civil courts, following the failure last spring of an initiative to top up their funds from a sales tax increase.

Merrill Lynch, one of the prime targets of legal action and the county's public relations strategy, suffered a setback in the court this week when the judge rejected its motion that he should not find the county was insolvent in 1994.

Merrill, which denies all accusations and is the only threatened firm to have responded publicly, claims losses would have been avoided if the pool had not liquidated.

Vietnam in \$830m debt accord

By Jeremy Grant in Hanoi

Vietnam yesterday signed an agreement in principle with its commercial creditors to settle \$830m in debt, ending months of talks with the London Club negotiators and paving the way for fresh commercial lending to the communist-run country.

Negotiators from an advisory committee of large lenders, chaired by Bank of Tokyo-Mitsubishi and Australia and New Zealand Banking Group, signed the deal with Vietnam's central bank last night, a central bank official said.

The agreement will now go forward to all commercial creditors for their approval. Terms were not disclosed, but a crucial element will be the amount of the debt that is to be forgiven.

About half the amount currently outstanding represents the original principal, mostly in the form of trade credits from Japanese institutions. Vietnam has been pressing creditors to write off half of this debt, following a pattern established by its agreement with government creditors in the Paris Club last year.

The remainder of the debt covered is overdue and Vietnam must still pay penalty interest in full. Last night's announcement indicates that the Vietnamese have compromised over their insistence that commercial creditors agree to write down 50 per cent of the principal.

Both sides are seeking a Brady-style debt-for-bonds settlement, which would be concluded with the financial assistance of the World Bank. Mr Cao Si Kiem, Vietnam central bank governor, said earlier this month the documentation could be signed in the third quarter of this year. He also said Vietnam would delay plans to launch a long-awaited eurobond issue until the commercial debt had been settled.

World Bank and International Monetary Fund officials have warned Vietnam against resuming foreign borrowing while its existing debt remains unsettled, and while it is still struggling to take up all the offers of foreign aid and direct investment it has received.

WEEKEND BUSINESS

LESLEY SUMNER 0171 873 3308

BUSINESSES FOR SALE

ASTIKA AKINITA

INCORPORATED COMPANY OF REAL ESTATE CONSTRUCTION TOURIST AND RELATED ENTERPRISES

PUBLIC CALL FOR TENDERS FOR THE SALE OF THE ASSETS OF THE COMPANY UNDER THE TITLE "GRAND HOTEL S.A."

The incorporated company "ASTIKA AKINITA S.A." (CG Registration No. 105 64) is a special liquidator by virtue of resolution No. 151/1995 of the Council of Appeal of Cuba, of the liquidated company "GRAND HOTEL S.A. HOTEL AND TOURIST ENTERPRISES S.A." (company referred to as the "liquidator").

A public call for tenders with sealed, binding offers, for the sale of the total assets of the liquidator under special liquidation by virtue of article 66, L. 1992/1990.

ACTIVITIES AND BRIEF DESCRIPTION OF THE COMPANY: The "liquidator" was founded by virtue of act No. 86/1975-1982 of the national people of Alberto Anoranche D. Kaskares under the title "GRAND HOTEL S.A. HOTEL AND TOURIST ENTERPRISES S.A." It was renamed "GRAND HOTEL S.A. HOTEL AND TOURIST ENTERPRISES S.A." by a decision taken by the General Assembly on 15.11.1982. The object of the company is the establishment and running of hotels, restaurants, bars, cafeterias, discotheques and other services, carrying out construction and other related activities, and the liquidation of the assets of the company.

The Company owns a hotel-bar-restaurant complex located in Havana, near Miramar, which it operated until March 19, 1986, when, by virtue of resolution No. 151/1995 of the Council of Appeal of Cuba, the Company came under special liquidation as provided by article 66, L. 1992/1990 and the company "ASTIKA AKINITA S.A." was appointed special liquidator.

The assets of the "liquidator" include a tourist hotel complex which consists of two (2) adjacent seaside hotel units of A and B Class, with total capacity of 614 and 142 beds, (if area Beach and Florida Bay respectively, situated at the locality "Forma" of the Municipality of Agoo Barrio, approx. 8 km. from Havana, by sea - shore and it covers a total area of 25,770 sqm. The hotel complex consists of an A Class hotel and with a total capacity of 180 rooms and 642 beds, which include the central building, building (E), five (5) bungalow wings (A-A1, B, C, D & F) and various other auxiliary buildings, and a B Class hotel with a capacity of 71 rooms and 142 beds and include a three-story building with auxiliary areas and five (5) vehicles.

INVITES: any interested party to receive the other memorandum and submit a sealed, binding offer accompanied by a letter of guarantee by a bank operating lawfully in Cuba, amounting to the sum of sixty million (60,000,000) CUC with the contents described in the other memorandum.

TERMS OF THE CALL FOR TENDERS: 1. The public call for tenders will be carried out according to the provisions of article 66, L. 1992/1990 which was added by the law by virtue of article 14, L. 2000/91, as it has been amended, completed and as it currently applies, the terms included in the present call for tenders and the terms of the other memorandum, which interested parties may obtain either submitting a pledge of confidentiality in writing.

2. In order to participate in the call for tenders, interested parties are invited to deliver a sealed, binding offer in writing by 11.00 on Thursday, June 15th, 1996, to the Special Liquidator public: Mrs. Kallioja Kuchelova-Chavez, 1 Florida St, 723 10 ERIBAYTA, tel: 0862-23775, fax: 0862-23784.

3. The offers and the letter of guarantee will be submitted in a sealed, opaque envelope by the interested parties, or by the Special Liquidator, to the Special Liquidator, at the address indicated in the other memorandum, clearly the amount offered for the purchase of the total assets of the company under liquidation and must not contain any terms, options or vague phrases which might create uncertainty as to the amount or the manner of payment of the sum being offered or other matters related to the sale.

5. Overdue offers will not be accepted and will not be considered. The binding nature of the offers will apply until the award of the sale.

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Court rules against 'short cut' on debt

By Ralph Atkins and John Mason in London

Expectations heightened last night that Lloyd's of London will soon announce extra help for ruined Names after the insurance market was criticised for trying to "short-cut" the collection of debts from the biggest losers.

In an embarrassment for Lloyd's, the High Court in London said rule changes made by the market last year - which would have forced loss-making Names to use money won in court to settle their debts - were invalid.

The ruling comes at a difficult time for Lloyd's which is seeking the support of Names

LLOYD'S

LLOYD'S OF LONDON this summer for its ambitious recovery plan that includes an out-of-court offer worth £3.1bn, mostly in the form of debt write-offs. Names are individuals whose assets have traditionally supported Lloyd's.

Lloyd's will appeal, and complications created by other legal actions pending on similar issues mean no money is likely to be released immediately from about £300m held by lawyers on Names' behalf.

But the prospect that some Names who have won court judgments might as a result receive cash has boosted the case for extra help for those

ruined by Lloyd's losses, which have totalled more than £8bn in recent years.

Lloyd's is exploring schemes - which could be unveiled as early as next week - to top up help available under the recovery plan. One possibility is to pay about £10,000 a year to a few hundred pension-age Names who have no other income.

The rule changes were made with the approval of Mr Michael Heseltine, then trade and industry secretary, to shore up Lloyd's finances.

The court said Lloyd's already had sufficient powers to recover money through Names' existing contracts, which can be enforced in the courts if necessary.

Soccer tournament is more than just a game

By Jimmy Burns in London

A showcase for the world's most popular sport on a commercial, political and social disaster? With only three weeks to go before its official opening, the fate of Euro 96, the European football championship, seems finely poised.

The English Football Association is putting on a brave face as it prepares to play host to Europe's 16 top national teams in the three weeks from June 8. It will be the biggest sporting event to be held in Britain since the 1966 World Cup.

Uefa, the sport's governing body in Europe, has given its support. But supporters' associations, football academics, police and business groups are among those warning that things could still go wrong.

There is much more at stake than football. In recent days the FA's credibility has been seriously undermined by its failure to give a convincing explanation for the resignation of Mr Trevor Phillips, its commercial director, in an embarrassing row over the distribution of tickets.

The FA is like the government. It feels it is never to blame for anything that goes wrong, says Ms Kate Hoey, who speaks for the opposition Labour party on soccer.

This week, Mr Iain Sproust, the sports minister, told Ms Hoey that it had become apparent that a significant number of tickets for Euro 96 had not been allocated in accordance with Uefa guidelines.

The arrival of non-UK fans has also generated some optimism in the UK tourist industry.



England international soccer star Alan Shearer (facing camera) training yesterday for a friendly match against Hungary

to get "very near the total figure" before the tournament started. Having spent £16m organising the event, the FA is set to make a profit of £1.5m - based on an optimistic ticket sellout.

The FA will get a 10 per cent share of revenue from the sale of sponsorship and broadcasting rights, with the balance going to Uefa.

Uefa, which forecasts a worldwide television audience of 6.9bn viewers, has sold the broadcasting rights to the European Broadcasting Union.

Including Canon, Carlsberg and Coca-Cola have contributed to £25m in sponsorship, the bulk of which will go to Uefa. They have centred their European marketing budgets on Euro 96.

The arrival of non-UK fans has also generated some optimism in the UK tourist industry.

Britain to offer 'mad cow' concession

By Caroline Southey in Brussels

Britain is prepared to double the number of cattle it will kill to more than 80,000 under a selective slaughter policy aimed at reducing cases of BSE. The offer will be part of its effort to win support from other European Union states for the partial lifting of the export ban on British beef.

Signs of flexibility from the British government over measures to control the spread of BSE or "mad cow disease" emerged yesterday ahead of a meeting on Monday at which the EU's standing veterinary committee will consider whether to ease the embargo.

British and European Commission officials remained optimistic that the veterinarians would agree to lift the ban on gelatine, tallow and semen. However, the decision could still go against Britain.

The proposal could be blocked by a coalition of Germany and Austria, which remain strongly opposed to easing the ban, and Spain and Greece, which continue to have doubts.

However, if the vets agree to ease the ban British officials said the UK government would immediately press EU agriculture ministers, who will meet on Monday afternoon, to consider other areas in which the embargo could be lifted.

The UK government is expected to give the veterinarians details of its proposed selective slaughter policy under which up to 42,000 cattle would be killed. The plan involves tracing, and then killing, cattle born at about the same time and in the same herds as those which have contracted BSE.

But the British government was prepared to consider extending the slaughter policy to cover cattle born in 1989 and 1990. "We believe this would add another 40,000 cattle to the slaughter programme," the British official said.

He admitted that tracing calves born in those years would be more difficult because a system of birth certificates was made compulsory only in September 1990.

He said Britain had already agreed to tighten up the original culling proposal by scrapping the idea that farmers should be given the option of restricting the cattle to farms rather than killing them.

The British official added that the UK and the Commission had agreed that there was nothing to be gained from more drastic culling policies.

"There is no technical justification for extending the cull to all the animals in 'multiple case' herds," he said. The idea that all animals born before the feed ban was introduced in 1988 should be killed had also been rejected.

The UK government's cull scheme for cattle aged over 30 months was dealt a blow yesterday when Midland Meat Packers, Britain's largest beef abattoir pulled out, Deborah Hargreaves writes.

The company had come under pressure from supermarkets which said they would boycott slaughterhouses involved in the cull. Mr Richard Field, chief executive of MMP, said he had decided to leave the scheme in order to safeguard sales to stores.

Manufacturer of glass to shed 300 jobs in Germany

By Ian Hamilton Fazey in Manchester

Pilkington, the glassmaker, is to shed more than 600 jobs from its Triplex windcreens and automotive products plants in the UK and Germany over the next three years. A £35m (\$53.2m) investment programme to improve production technology at the two UK plants will be matched by a similar upgrading in Germany.

At the same time Pilkington announced price increases of between 8 per cent and 10 per cent in its European float glass products. These should not only be worth up to about £50m on current turnover, but the increase is expected to be eroded by competitive pressure.

Float glass prices have declined by about 5 per cent in the past year.

The job losses are part of the 1,900-strong global reduction in employment the company announced in March before it had decided on details. The German job losses will be about 300 spread between Witten and Weisel, near Düsseldorf.

The German workforce will not be given the details until Monday, when the plants resume work after the Ascension Day holiday.

In the UK, 250 jobs will be shed at Pilkington's home town of St Helens in north-west England, where the company now employs 3,300 people, and 80 will go at King's Norton in the English Midlands where Triplex has 750 employees.

wants to complete the cuts by late 1998 and expects natural wastage to account for most of them, with redeployment of some workers to other parts of the group as jobs fall vacant.

The Triplex investment programme will see factories equipped with new advanced glass bending furnaces and robotics. These will be integrated with new production lines for automatic pre-processing and printing of car glass components.

St Helens will deal with toughened glass and the Midlands plant with laminated windcreens.

Mr Bryan McGinty, Triplex managing director, said the aim was to increase yields and quality while reducing manufacturing costs while producing more for the high-volume car glass market.

The float glass price increases will vary by market and products. Pilkington makes about £1.1bn a year of float glass in Europe at current prices, but less than £500m of this is sold as a commodity, the rest going into Pilkington's own added-value products.

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Shareholders are invited to attend the extraordinary shareholders' meeting which will take place on Tuesday 28 May, 1996 following the ordinary shareholders' meeting at the registered office, Avenue Marix, 24, 1000 Brussels.

AGENDA

- A.1. Report of the Board of Directors regarding the specific circumstances in which the Board may use the authorized capital and the objectives it will pursue in so doing.
- A.2. Proposal to reserve, for a new period of five years, the authorization granted to the Board to increase the capital, in one or several steps, to a maximum amount of 10,000,000,000 francs.
- A.3. As a consequence, proposal to modify article 6 of the Articles of Association, replacing the date of "twenty-eighth of May, nineteen hundred and ninety-six" with that of "twenty-eighth of May, nineteen hundred and ninety-six".
- B.1. Proposal to reserve, for a new period of five years, the authorization conferred on the Board of Directors to lease convertible bonds, shares, warrants, or other securities, in one or several steps, up to an amount such that the aggregate of the number of the securities or warrants does not exceed the limit of the authorized capital mentioned in paragraph A.2.
- B.2. This authorization is made on the same terms as provided for in article 12 of the Articles of Association and includes the right of the Board to limit or raise the company's interest, professional subscription rights, including the right of the Board to increase the capital in order to meet the needs of the company.
- C.1. Proposal to reserve the authorization granted to the Board of Directors, for a period of three years, to acquire shares of the company on its own account, where such purchase is necessary to protect the company from serious and imminent damage, with the explicit requirement that in the case of a take-over bid, purchases may take place after the receipt of the communication referred to in article 33 bis 4^o, paragraph 1 of the coordinated laws on commercial companies.
- C.2. Proposal to replace the two last paragraphs of point 1 of article 10 of the Articles of Association by the following text: "This authorization is valid for a period of three years from the date of publication of the minutes of the extraordinary shareholders' meeting of the twenty-eighth of May, nineteen hundred and ninety-six."
- D. Other changes to the Articles of Association.

'Très cordiale' Chirac fails to charm Eurosceptics

By John Kampfrer at Westminster

For all his bonhomie and Gallic charm, President Jacques Chirac left London yesterday admitting that he may have failed to dispel the image among sceptics of a Europe conspiring against Britain.

As a diplomatic exercise, Mr Chirac's four-day state visit - from the splendour of royal banquets to the reality of a Scottish housing estate - was hailed by both sides as a success.

The relationship had, Mr Chirac suggested, been officially upgraded to an "entente très cordiale".

But the more immediate French objective of spreading the gospel of EU integration made little progress. Mr Chirac used a concluding press conference to repeat the plea he made during his keynote address to the joint Houses of Parliament on Wednesday for Britain to embrace monetary union.

He predicted that up to eight member states - among them Germany, France and Britain - would be eligible to join a single currency, which he said would start on time in January 1999. "I have not

Mr Michael Howard, the home secretary, has pressed the government to table legislation to reassert the supremacy of the UK parliament over the European Court of Justice, James Harding writes. The recommendation is understood to have met resistance from Mr Malcolm Rifkind, the foreign secretary, who is proposing reform of the court through "constructive negotiations" with fellow European Union member states.

Mr Howard yesterday pledged that the government would "ensure that the European court should not stray beyond its role... to interpret, strictly and fairly, the laws framed by the member governments."

wanted to meddle, but I have tried to explain," he said. A strong Europe, he said, would be more difficult to build with Britain on the periphery.

The purpose of my visit was not to come and convince the English and tell them what they should do."

The British, he said, would eventually make up their mind in a "democratic and responsible fashion", basing their decision on their national interest.

"No-one can question that motivation," he added. The beef crisis had, Mr Chirac acknowledged, perpetuated suspicions about malign intent in other countries. The issue dominated his talks with Mr John Major and his calls on the leaders of the biggest opposition parties.

Mr Chirac's effusive praise of the prime minister, his emphasis on a global role for the UK, his reminiscences about student exchanges with an English family and his pledges of Franco-British "solidarity" cut little ice. "It was all very flattering, but we all know that in the end Chirac will jump into bed with Helmut Kohl," said one Conservative, his mind transfixed on a more powerful European relationship.

Another MP described the Chirac message as a more subtle variant on the German Chancellor's admonishment of Britain as the "slowest ship in the convoy". "This was Anglophilia with a touch of menace."

A sense of proportion was needed, a British senior cabinet member warned. "We'll not get many French leaders more sympathetic than him."

Former state utility rejects proposal to curb Transco pipeline offshoot's prices and rates of return

By David Lascelles, Resources Editor

Shares in British Gas, a former state utility, have plummeted 22 per cent from 229p to 177p since Ms Clare Spottiswoode, the government-appointed industry regulator, proposed new price controls for Transco, BG's pipeline arm which accounts for the largest part of the group. With analysts now suggesting that British Gas will have to slash its dividend to absorb the shock, what was once a prime privatisation stock has become a focus of uncertainty.

The market had known for months that Ms Spottiswoode planned new controls for Transco, and that they would be tough. No one had realised how tough.

In broad terms, she proposed to cut Transco's asset value from £17bn (\$25.8bn) to £9bn-£11bn. The effect of this would be to top 40 per cent off Transco's depreciation charge. She also proposed tougher controls on Transco's rates of return, and its spending on day-to-day operating costs and capital investments.

Moody's lowers company's debt ratings

Moody's Investors Service, the international credit rating agency, lowered the long-term senior debt ratings of British Gas to A3 from A1 - three notches away from sub-investment grade. The former state utility's short-term debt rating was also cut, to Prime-2 from Prime-1. The agency said British Gas may bear the full impact of derogatory pressures in the UK and is also "sub-

ject to measured regulatory actions in its monopoly transportation and supply businesses which could threaten a substantial amount of cash flow and earnings." Moody's outlook remains negative. The move affects \$10bn of debt securities issued by British Gas. The announcement came at the end of the trading day, so prices of outstanding BG eurobonds were not noticeably affected.

£700m in the first year, and by further increments later. That would be good for gas consumers who would see cuts of £30 a year in the average household gas bill, though it was potentially devastating for shareholders.

Former state utility rejects proposal to curb Transco pipeline offshoot's prices and rates of return

small squeeze on operating profits. But it is making a change to the valuation of the company's assets which will have the effect of savagely reducing the depreciation provision. Thus total cash returns - the combination of operating profits and depreciation - will also be substantially reduced.

The company uses its cash partly to pay dividends to shareholders and partly to finance capital spending needed to keep the business running in future. Most capital spending is a necessity not an optional extra. So a squeeze on total revenues can strangle dividends.

Because of the way the squeeze is being effected, the current arguments centre on an apparent technicality: the valuation of the company's assets. The amount of depreciation companies provide is related to the book value of their assets. Ms Spottiswoode wants to cut asset values; BG does not.

Government borrowing high

Rapid growth in spending by ministries meant that the government had to borrow more last month than the City of London expected to meet the shortfall between its spending and tax revenues. The public sector borrowing requirement totalled £3.3bn last month, the Treasury said. This was more than £400m down on the same month a year earlier, but nonetheless slightly higher than economists had predicted.

Robert Chote, Economics Editor

UK NEWS DIGEST

Water company under attack

Yorkshire Water was yesterday subjected to damning criticism in a report commissioned by the former state company which urged it to spend less money on its shareholders and more on water shortages showed that until 1994 Yorkshire Water had forecast a decline rather than an increase in demand for water. This was partly due to over-optimistic forecasts of the company's ability to repair leaks, which amounted to 37 per cent of water produced, or as much as that consumed by households in the area.

The report noted that, apart from construction of one reservoir since the 1970s, the company had relied mainly on taking extra supplies from rivers rather than investing in infrastructure to meet extra demand. When a big surge in demand became apparent in 1995, the company had no emergency strategy. To finance extra spending to compensate for its "failure to have recognised the need for major new resource at an earlier date", Prof Uff called on the company to consider "an adjustment [in favour of customer interests] of the allocation between shareholders and customers of both declared and future efficiency savings".

Leyla Boulton, Environment Correspondent

Trading system cleared

The Office of Fair Trading cleared Crest, the new share settlement system which is due to start in July, from being anti-competitive. Mr John Bridgeman, director-general of fair trading, said he was satisfied with the rules of CrestCo, the company which will operate Crest and is owned by 60 financial institutions. Mr Bridgeman said he would keep reviewing whether there was enough competition among network providers, which will link Crest users with the service. He said there had been complaints over the prices offered by these firms.

John Capper, Banking Editor

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Regulator's crusade depresses British Gas shares

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COMPANIES AND FINANCE: UK

National Power investors delighted with dividend bonanza

By Simon Holberton
National Power, Britain's biggest generator of electricity, yesterday delighted investors with a 49 per cent rise in its total dividend.

But the special dividend was condemned by Mr Gordon Brown, Labour's shadow chancellor, who said the dividend "makes the case" for Labour's plans for a windfall tax on privatised utilities.

The difficult judgment now is what the value of the rump is, said Mr Nick Pink, utilities analyst at SBC Warburg. It would depend on the company's ability to cope with political change, regulatory change, and a very competitive generating market.

BET chief is dismissed after refusing pay-off

By Tim Burt
Mr John Clark, the combative chief executive of BET, has been dismissed after refusing to accept a pay-off from Rentokil, which last month paid £2.2bn for the business services group.

Lord Sterling: a satisfactory start to the year with the exception of ferries and bulk shipping for reasons that are well known

Lord Sterling, chairman, said the disposal plan was "well on target". Agreements concerning assets of £200m have been made since the March announcement of the disposal plan.

P&O agrees further £100m asset disposals

By Jane Martinson
Lord Sterling, chairman, said the disposal plan was "well on target". Agreements concerning assets of £200m have been made since the March announcement of the disposal plan.

Ex-Fisons duo plan to board Scholl

By David Blackwell
Mr Stuart Wallis and Mr David Hankinson, formerly of Fisons, are understood to be trying to join the board of Scholl, the food and healthcare products group, and oust Mr Gordon Stevens, the current chairman.

Chamberlain Phipps to sell division

By Greg Motvor
Chamberlain Phipps, the shoe components group, has breached its banking covenants and is planning to sell its materials division.

Hot summer in the court?

Stephen Hinchliffe, flamboyant head of Facia, is in the mood to do battle, writes David Blackwell

Brighter picture at General Cable

By Christopher Price
General Cable, the UK's fourth biggest cable company, yesterday reported a marginal cut in first quarter pre-tax losses and announced that more than half of its network was complete.

Ferries and bulk shipping for reasons that are well known

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Correction

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British Steel recruits Rennocks

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Southern talks over Swab sale

Southern Company, the Atlanta-based utility, has confirmed that it is in talks with another US utility about selling a 25 per cent stake in Swab, the UK regional electricity company owned by Southern.

Hanson AS470m expansion

SCM Chemicals, part of Hanson, has given the go-ahead to a \$470m (294m) expansion of its titanium dioxide plant, near Bunbury, Western Australia.

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By James Buxton
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NEWS DIGEST

Coal Investments collieries for sale

The joint administrators of Coal Investments, the mining group that collapsed in February owing £57m, are negotiating with buyers for three of its collieries. They have entered negotiations with bidders for mines at Silverdale, near Stoke-on-Trent, Annesley Bentinck, near Nottingham, and Marham in East Angles. They hope to conclude the sales by the end of June.

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Ocean Wilsons declines

Ocean Wilsons, an investment holding company based in Bermuda, saw pre-tax profits for 1995 fall from £10.5m to £7.7m on turnover down from £59.9m to £34.5m.

Rugby Estates acquisitions

Rugby Estates' Covent Garden Estates subsidiary has paid £3.8m cash for 28-30 Neal Street, a 13,000 sq ft building in the central London shopping, restaurant and residential district.

DMGT buys Southex of US

Daily Mail and General Trust is to acquire Southex Exhibitions, a North American exhibition group, from Southern, the Canadian media group.

Correction: Signet

The second highest paid director, as published in the 1995-96 accounts, was Lawrence Cooklin, not Lawrence Ziman as reported on May 14.



Lord Sterling: a satisfactory start to the year with the exception of ferries and bulk shipping for reasons that are well known

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Copper prices plunge

Copper prices plunged at the London Metal Exchange yesterday as market sentiment appeared to undergo a profound change.

The trigger for the fall was news of an unexpected 4,350-tonne rise in exchange stocks and it was accelerated by price-fixing operations.

At the same time there was evidence of an easing in the concern over nearby supply tightness that had been propelling copper prices.

At the London bullion market, meanwhile, the gold price continued to hover in the mid-

performance of its recent trading range. "At the moment there's no underlying impetus," one dealer told Reuters as the price edged up 5 cents to \$322.00 a Troy ounce, down 30 cents on the week.

While sugar futures on the London Commodity Exchange ran out of steam yesterday after putting in a fairly strong performance earlier in the week, in late trading yesterday the prompt August delivery position was \$3 up to \$381.50 a tonne, \$13.50 ahead on the week.

LCE cocoa prices set fresh eight-year highs yesterday after London trade house E.D. & F. Man forecast a lower-than-expected surplus for 1995-96.

Oil prices remained under pressure yesterday as the market anticipated a positive conclusion soon to the protracted talks between Iraq and the United Nations on allowing limited Iraqi sales of crude to finance food and medicine.

BASE METALS

LONDON METAL EXCHANGE

Table with columns: Metal, Price, Change, High, Low, Vol, etc. Includes Aluminum, Zinc, Lead, Tin, Nickel, Silver, and Gold.

PRECIOUS METALS continued

Table with columns: Metal, Price, Change, High, Low, Vol, etc. Includes Platinum, Palladium, Silver, and Gold.

ENERGY

CRUDE OIL NYMEX (1,000 barrels, \$/barrel)

Table with columns: Date, Price, Change, High, Low, Vol, etc. Includes Crude Oil NYMEX and Heating Oil NYMEX.

GRAINS AND OIL SEEDS

WHEAT LCE (100 tonnes)

Table with columns: Date, Price, Change, High, Low, Vol, etc. Includes Wheat LCE and Soybean Meal LCE.

SOFTS

COFFEE LCE (100 tonnes)

Table with columns: Date, Price, Change, High, Low, Vol, etc. Includes Coffee LCE and Cocoa LCE.

MEAT AND LIVESTOCK

LIVE CATTLE CME (40,000 lbs, cents/lb)

Table with columns: Date, Price, Change, High, Low, Vol, etc. Includes Live Cattle CME and Live Hogs CME.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Gold, Silver, Copper, Aluminum, etc.

PRECIOUS METALS

LONDON BULLION MARKET

Table with columns: Metal, Price, Change, High, Low, Vol, etc. Includes Gold, Silver, and Platinum.

WORLD BOND PRICES

Table showing world bond prices for various countries and maturities.

US INTEREST RATES

Table showing US interest rates for Treasury bills and bonds.

BOND FUTURES AND OPTIONS

Table showing bond futures and options prices for various maturities.

FT-ACQUIRED FIXED INTEREST INDICES

Table showing FT-acquired fixed interest indices for various regions.

MARKET REPORT

By Lisa Branstetter in New York and Antonia Sharpe in London

Another sign that inflationary pressures are likely to remain in check helped send US Treasury prices higher in early trading yesterday.

Near-bidday, the benchmark 30-year Treasury was 8 1/8 stronger at 98 1/2 to yield 6.845 per cent, while the two-year note added 1/8 at 99 1/2 to yield 6.011 per cent.

On Thursday Lockheed Martin sold \$3.5bn worth of bonds in six tranches, the largest ever US investment grade debt deal.

The bounce in US treasuries helped to push European government bond markets higher yesterday, though France continued to underperform.

US TREASURY BOND FUTURES (CBT) \$100,000 2 1/2% of 100%

Table showing US Treasury bond futures prices for various maturities.

NOTIONAL LONG TERM JAPANESE GOV. BOND FUTURES (LFFE) ¥100m 100% of 100%

Table showing notional long term Japanese government bond futures prices.

NOTIONAL LONG TERM EUROPEAN GOV. BOND FUTURES (EUBOND) €100m 100% of 100%

Table showing notional long term European government bond futures prices.

NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LFFE) Lit200m 100% of 100%

Table showing notional Italian government bond futures prices.

NOTIONAL GERMAN BUND FUTURES (LFFE) DM250,000 100% of 100%

Table showing notional German Bund futures prices.

NOTIONAL SPANISH BOND FUTURES (MEFF)

Table showing notional Spanish bond futures prices.

NOTIONAL UK GILT FUTURES (LFFE) £50,000 2 1/2% of 100%

Table showing notional UK Gilt futures prices.

UK GILTS PRICES

Table showing UK Gilt prices for various maturities.

UK GILTS PRICES

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MARGINED CURRENCY DEALING Laurion advertisement with contact information and services.

Advertisement for a financial service or company, including contact details.

Advertisement for a financial service or company, including contact details.

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COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Saturday May 18 1996

Questioning bond markets

The outstanding feature of the global bond markets this year has been the jaundiced view investors have taken of US long bonds. The crunch came in February, following the failure of budget talks between the president and congress, and the publication of employment data which pointed to an unexpected strength in the US economy. In effect, the markets were saying that inflation was not dead after all. The reversal has been echoed, though in milder fashion, in Europe as investors have concluded that the pause in global growth is probably over.

This makes the timing of the move by US treasury secretary Robert Rubin to issue index-linked bonds particularly intriguing. For there is not much point in the US government issuing inflation-proofed paper if the ultimate cost of servicing the debt turns out to be more than on conventional fixed-interest bonds. In the perpetual game of cat and mouse that governments play with investors in the markets, Mr Rubin is declaring his hand. He clearly believes that the markets have got it wrong about inflation.

Outside the US the decision to issue indexed bonds has been a powerful market pointer. In Britain in 1991 the average yield on gilts, as measured by BZW in its annual survey of long-run gilt and equity returns, was nearly 16 per cent. By historical standards, this implied an appalling debt service burden. In real terms, if the Conservative government was serious about its anti-inflationary commitment.

Fortunately for the British taxpayer, ministers sensibly ignored the Bank of England's longstanding fear that indexing represented the slippery slope towards banana republic status. In reality, it was a strong indication of disinflationary resolve: a case of the government putting its money where its mouth was.

Euphoric verdict
And sure enough conventional gilts delivered a euphoric verdict. With a total return in 1991 of 43.5 per cent, they left index-linked, as well as equities and property, in the shade.

That return on gilts had only been exceeded during the present century in 1931 and 1920. By last year conventional gilts had shown a 14-year average total return, as recorded by EYF's Pension Fund Indicators, of 14.2 per cent compared with the indexed return of a mere 7.9 per cent.

Before concluding that Mr Rubin is heralding a comparable bull market in bonds, it is important to ask whether the circum-

stances are remotely similar to those prevailing in the UK in 1981. With the US long-bond yield at around seven per cent, the potential gains, in terms of reduced debt-servicing costs, are obviously less. Successive US administrations have let a splendid opportunity slip. It is also possible that Mr Rubin is underestimating the strength, and thus the inflationary potential, of an economy which is running at close to its productive potential.

That said, the move comes after the bursting of a bubble. Gloomy perceptions about inflation are thus already in the market. This is a much better time, from the Treasury's standpoint, to be going down the indexed path than when bond markets are riding high.

Pricking of a bubble

A further point in Mr Rubin's favour is the peculiar recent tendency of the US bond market to overshoot in either direction.

The abrupt turnaround in February was, after all, the second pricking of a bubble within two years. There was a similar, if more spectacular, collapse in February 1994.

This reflects the way heavily borrowed punters such as hedge funds respond to expectations of higher interest rates by reducing their position at the long end of markets in order to unwind funding arrangements at the short end. The extent to which the hedge funds have influenced the US bond market can be seen in the official data for capital flows.

The inflows into US Treasuries last year from Caribbean financial centres, where many hedge funds are registered, amounted to more than \$50 billion, compared with a net outflow in 1994. The bond market in February was thus reflecting the financial equivalent of downsizing. Instead of employees, it was hedge fund borrowings that were shrinking.

The good news for foreign governments is that the bond markets are no longer so beholden to the behaviour of speculative US investors. The bad news for foreign investors is that the US Treasury did not announce at the same time that it was offering bonds denominated in foreign currency. Since this would increase the cost to the US taxpayer of dollar depreciation, it could send a comparable signal that the US wished to stabilise the dollar. But then, if Mr Rubin succeeds in his second aim of encouraging a higher savings rate through indexing, foreign financing of the budget deficit becomes a less urgent concern. Any success on that score lies further into the future.

New launch for Uncle Sam

The US government's decision to issue index-linked bonds has been greeted with suspicion by Wall Street, writes Tony Jackson

The detached observer, this week's decision by the US government to issue index-linked bonds might seem sensible and overdue. Not so on Wall Street, where the main reaction has been suspicion tinged with hostility.

For the government, the attraction is twofold. First, it is hoped that the bonds will pull in new money from conservative savers, who are wary of the more volatile world of conventional bonds. Second, the gap between index-linked and conventional yields will help the authorities measure the market's inflation expectations.

For many Wall Streeters, by contrast, the bonds are at best a gimmick that will never match the appeal of conventional bonds. Alternatively, they are an insult to market professionals, who are capable of preserving the real value of investments on their own. At worst, they are an admission of weakness by the Federal Reserve in its fight against inflation.

From the viewpoint of the UK, where such bonds have been around for 15 years, this seems rather odd. The US capital markets, after all, are the most sophisticated in the world. They can produce the most bizarrely complex synthetics and derivatives at the drop of a hat. What they have yet to offer is a simple instrument which maintains its real value, neither more nor less.

Some of the market's resistance is due to lack of reflection and will doubtless prove temporary. In particular, the claim that the Fed is admitting defeat on inflation is logically upside down.

According to Mr Robert Rubin, the US Treasury secretary, the new bonds will lower the cost of borrowing. That is only true if the Fed succeeds in getting future inflation down to a lower level than the conventional bond market now expects.

Who will buy the bonds? They should be attractive, Mr Rubin said this week, to "individual Americans saving for their retirement or for other long-term purposes". This is perhaps rather ambitious. As the investing public is well aware, the

After the inflationary ravages of the 1970s, it seemed an ideal piece of timing when Sir Geoffrey Howe introduced index-linked gilts in the 1981 Budget. Price rises had eroded the value of conventional gilts; £1,000 invested in 1970 would have been worth just £383 in real terms 10 years later, according to BZW's Equity-Gilt Study.

Index-linked gilts were designed to be attractive to pension funds struggling to afford benefits that rose in line with wages. Both the repayment value and interest payments of the gilts were adjusted upwards in line with the retail price index. Given that wages tended to rise at an annual rate of around two percentage points faster than prices, a gilt yielding inflation plus 2 percentage points would



best home for long-term savings has historically been the equity market. Professor John Shoven of Stanford University, who is a long-standing advocate of index-linked bonds, partly concedes this. "If you are 20 to 40 years old, you will buy equities for the long haul," he says. "But if you're on the verge of retirement, and you've accumulated a lot of wealth, what you

want is an index-linked annuity." At present, he says there is no such annuity on the market. That fact is the best answer to those who claim index-linked bonds will be redundant. If the market professionals are so sure they can beat inflation, why have the US insurance companies not offered index-linked savings products already?

For the government, meanwhile,

there are some tricky technicalities to address. The main one is which index of inflation to use.

The Treasury suggests four possibilities: the basic Consumer Price Index (CPI), the core CPI, which excludes food and energy; the employment cost index, measuring the increase in wages; and the gross domestic product deflator, which is used to establish the

real rate of growth in the economy. The simplest answer would be to use the basic CPI, which besides being a familiar headline figure would give bondholders constant purchasing power.

There is a political snag. According to Mr Alan Greenspan, the Fed chairman, the present CPI fails to take account of shifts in buying patterns. The published inflation rate is therefore as much as a percentage point too high, and should be adjusted.

This would run into resistance from the millions of retired people whose pensions are linked to the CPI and who would therefore feel short-changed. But the issue of CPI-linked bonds would add to the pressure to make the adjustment, as a means of saving money for the taxpayer.

Perhaps the fairest way would be to link the bonds to the employment cost index, thus maintaining the purchasing power of retired bondholders relative to the working population. But this would be a hostage to fortune.

For many years, the real wages of average Americans have been flat. According to the Clinton administration, this is starting to change; the productivity gains of recent years are finally starting to pay off in higher earnings. To the extent that proved true, it would raise the cost of borrowing.

Technical details aside, the market's reservations are likely to prove short-lived. From the viewpoint of the professional trader, the new bonds will be scarcely relevant. They will mostly be bought by individuals who would not be interested in conventional bonds. Being long-term investments, they will be tucked away rather than actively traded.

Consequently, they will be less useful to the authorities as a means of gauging inflationary psychology. But their real importance lies in the government's expression of faith in sound money. As such, the experiment was bound to be tried.

Mixed verdict in the UK

have seemed the ideal instrument for a pension fund manager.

Private investors, for whom the bulk of the return from index-linked gilts comes in the form of tax-free capital gain, should also have found them attractive.

Fifteen years later, however, index-linked gilts remain a minority interest for private investors and make up only 2.4 per cent of the average pension fund portfolio, according to CAPS, the performance measurement group.

Ironically, the cause of this disappointment has been inflation. After peaking at more than 20 per cent in 1980, it dropped into single digits in 1982 and has stayed there since, apart from a brief run over

10 per cent in 1990. As interest rates have fallen in response to declining price pressures, conventional gilts and equities have enjoyed long bull markets.

So while index-linked gilts have been theoretically attractive, in practice pension funds have been able to get much better returns elsewhere. During the 10 years to December 1995, index-linked gilts returned an average 6.8 per cent per annum, slightly better than the returns from property, but more than a percentage point behind the income from cash deposits. UK equities earned investors a thumping 15.1 per cent per annum.

Another problem for the index-linked market has been illiquidity.

The infrequency and unpredictability of issuance, together with the fact that institutions tend to buy index-linked stock in big blocks, have made the market less easy to deal in than the conventional equivalent.

With investors inclined to buy index-linked gilts and lock them away until maturity, the price of index-linked paper tends to be higher and the yield lower than would otherwise be the case.

In turn, in the view of some analysts, this has damaged one of the perceived economic advantages of index-linked gilts: their use as a guide to inflationary expectations. In theory, if an index-linked gilt and a conventional gilt have the

same maturity, the difference between the real yield on the former and the nominal yield on the latter would be the market's expectation of inflation. In practice, however, the difference seems to overestimate the market's view of potential inflation.

However, the index-linked market has been a success for the UK government, which has issued about £40bn of the bonds and enjoyed an interest saving of about one percentage point a year. And there are now hopes that the development of the US market could increase investor interest in index-linked gilts in general and lead to greater demand from institutions.

Philip Coggan
Richard Lapper

LETTERS TO THE EDITOR.

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We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to "fax"); e-mail: letters.editor@ft.com. Translation may be available for letters written in the main international languages.

Record suggests little reason to trust Emu opponents

From Mr D.A.A. Fagandini.

Sir, Do I understand John Redwood ("European Union: angel or demon?", May 16) to imply that, were the UK to join the Emu, misery would inevitably follow the end of politically managed monetary policy?

It is certainly difficult to spell out in any detail the benefits of Emu. However, I have found no explanation for the virulence of its UK opponents, other than the anticipated loss of the facility to maintain a form of competitiveness by managing devaluation through

flexible rates of interest. It is unfortunate that this point is never put to the staunch defenders of Britain's currency as they would then have to explain how 50 years of sovereign monetary management have still to yield a sound economic basis for the nation's future.

The real explanation for the opposition to Emu may well be the conviction that, should Britain stand aside, it will never happen. If this is so then, given the UK's record of forecasting continental developments in matters European, Emu's opponents are shouldering

responsibilities in respect of our future for which they have no reason to expect our trust.

D.A.A. Fagandini,
6 Alleyton Park,
Dulwich, London SE21 8AR, UK

From Mr David Palmer.

Sir, John Redwood correctly points out that, once Europe moves to union currency, "as poorer countries and regions can no longer devalue to make themselves more competitive, the richer parts of the union have to send benefits and

subsidies to the poorer parts".

Which "poorer countries" of the EU does he mean? I think we should be told. The UK perhaps? After all, the pound has now devalued by more than 21 per cent from D-Mark parity at which Britain joined the ERM in October 1990 (from DM1.96 to DM2.91 now). Paying for us as well as the rest probably would be too much of a strain. So much for the "Thatcher revolution", John.

David Palmer,
48 Ferme Park Road,
London, N4 4ER, UK

Let regulator run British Gas

From Mr Derek A. Coggrove.

Sir, In the article "British Gas 'furious' over price controls" (May 14), it is clear industry regulator Ofgas still considers British Gas's subsidiary Transco is a monopoly and intends to treat it thus. In any case, the board of British Gas appears to have very little control over the way in which the business is run. The criteria for setting the levels of return on the capital and many other aspects of running the business are decided by the regulator. Therefore, what is the point of employing a board of directors at vast and controversial expense when Mrs Spottiswoode could obviously do a better job of running the company on her own? And when the board has been removed, perhaps the government could buy back the shares which it sold to a bamboozled and gullible public.

Derek A. Coggrove,
23 Wentworth Park,
Finchley, London N3 1YE, UK

A sad picture of London for the millions of tourists to take home

From Mrs Marlene Bowman.

Sir, I have just returned home to East Sussex after spending ten days in London on a book tour introducing the book, *A Plea for Purity*, by Johann Christoph Arnold.

I had previously only viewed London from a tourist bus. This time was different. Though my husband and I were encouraged by

the many friendly people we met who were willing to help us find our way through the underground maze, from the first day we were shocked and deeply saddened by the prolific pornography which surrounded us. How can Londoners put up with it? Is the pound more precious than souls?

The advertising we saw is disgusting, to say the least: the

sides of buses, the walls of the underground stations, bookshop windows, even phone booths are covered with pornographic advertisements. What a sad picture the millions of tourists who visit London take home with them!

We met many people who share our concerns for the corruption of society and for the disregard for God's order in the whole area of

sex. Perhaps my concern is naive, but seeing the decadence of society so vividly in the advertising was such a contrast to our purpose for being in London. Society is being destroyed by sin, and London seems to be advertising destruction.

Marlene Bowman,
Darvell, Robertsbridge,
East Sussex TN33 5DR, UK

More realistic pricing structure would be beneficial consequence of Internet "crashing"

From Mr Richard A. Cawley.

Sir, Tim Jackson opened a series of fine articles on the Internet by hitting the nail on the head with "Dial 'N' for nemesis" (May 14). However, in concluding correctly that "the entire system of telephone-call pricing may come crashing down", I believe that he was wrong in suggesting that "allowing Net telephony to grow unhindered would invite one form of economic inefficiency to replace another".

The telephone network has a

pricing structure which is inefficient and probably unfair too, given that there are far more satisfactory means to tackle the relatively small cost of universal service for low-income subscribers.

The Internet has a better pricing structure for what it does (which is to deliver data packets on a best effort basis) but suffers, increasingly so, from the fact that it does not price congestion or over-grazing.

This means that it is more likely to grind to a halt than grow

gracefully. We have a good idea of how much telephone prices are both distorted and too high relative to cost. It is a lot.

We are less sure about the underlying unit cost of Internet although a highest estimate for 1993 (including all equipment, salary, connection and network costs - remember a significant part of overall costs are directly borne by participants before joining the network) was about \$10 per 1m bytes, equivalent to 2 cents for a typical e-mail message. Unit costs

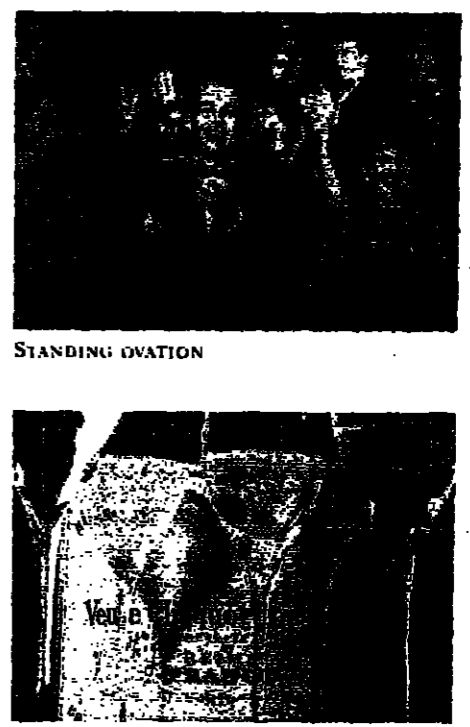
have probably fallen by at least a factor of 10 since then.

The point about 'N' for Netscape Navigator 3.0 is that if only a proportion of the people who end up possessing this software use it for telephony, this will be sufficient to bring down the Internet. This may well happen before the end of the year.

We should, however, be grateful for such an outcome because it will provide the push that is required to find a way (however protracted this may be) to implement pricing (and

technical) mechanisms for priority service, so that Internet can remedy one of its major economic shortcomings. Unfortunately, that may further delay the "crashing down" of the system of telephone-call pricing which we so dearly need.

Richard A. Cawley,
Fulbright Fellow,
Tufts University,
160, Packard Avenue,
Medford, MA 02155,
US



CLARENDONVILLE FESTIVAL OPERA	17 Nov-23 August
CELEBRA FLORIDA SOUPE	21-28 May
WINDSOR MORALE TRIVALE	25-28 May
1ST CORNELL TONY MATHER V UNDAI EGGARTON	8-10 June
NOTAL AUBRY	18-21 June
CLARENDONVILLE OPERA	28 June-14 July
WINDSOR TONY MATHER V UNDAI EGGARTON	28 June-14 July
ROUND THE ISLAND RACE, 182 OF NIGHT	28 June
VEUVE CLICQUOT GOLD CIV POIN, CONCORDIA PAIN	28 June-21 July
HEALEY BOAT RACE	5-7 July

Veuve Clicquot
CHAMPAGNE OF THE SEASON

Man in the News · Jean-Luc Lagardère

On the attack in defence

David Buchan on a latter-day D'Artagnan who is champing at the bit

The musketeer is back in the saddle and ready for battle. Mr Jean-Luc Lagardère and his missile-to-magazine group are gunning for the military side of Thomson, the French defence and consumer electronics company which is to be privatised this year.

This week saw the latest act in the drama of Mr Lagardère's efforts to beat off a rival bid for Thomson by Alcatel, the telecommunications group.

Mr Noël Forgeard, head of the Lagardère group's Matra defence division, called a press conference to announce that British Aerospace was not only merging its missile business with Matra, but also backing a Lagardère bid for Thomson.

He claimed that Lord Weinstock, chairman of General Electric Company in the UK, had written to Mr Lagardère to say he was "financially and industrially" behind him in bidding for Thomson.

No, he told the press, he could not produce the letter, which was private. But a minute later, as if on cue, another senior executive came in bearing a statement from Germany in which Daimler-Benz - a shareholder in Lagardère - expressed its "great interest" in the privatisation of Thomson and its view that talks between Thomson and Lagardère were "most significant".

Press conferences and com-

munique are hardly the usual way of negotiating defence deals, especially in France where matters military are the special preserve of the president.

But such tactics reflect the determination with which Mr Lagardère is pursuing his undimmed ambitions for Matra, the small defence company that he took charge of 33 years ago.

Since then, he has acquired the Hachette publishing group in 1980, seen Matra nationalised in 1982 and re-privatised in 1985, merged Matra and Hachette in 1982, and this week announced a full absorption of Matra-Hachette into his Lagardère group.

Along the way, he has plunged Matra and Hachette in and out of football, Formula One motor car racing, and television.

Mr Lagardère, an engineer-turned-entrepreneur (from Gascony, like D'Artagnan and his friends) has done all this with the same passion that he has devoted to his private hobby of horse-racing and to his presidency of France

Galop, the racing organisation.

At 65, Mr Lagardère still has the resilience of the lifetime testator. His move on Thomson shows he has recovered from the financial hangover of Hachette's disastrous investment in La Cinq, France's 5th television channel, which lost him FF73.5bn (£1.5bn) in just two years, 1980 and 1991.

Mr Lagardère formally declared his hand in early April when he strode into a press conference to interrupt his finance director - who was in full flow explaining the 1995 results - and to proclaim his "utmost interest" in Thomson-CSF, the defence part of Thomson. The idea, he said, was to form "a world force" in defence electronics.

"We share the same entrepreneurial culture [as Thomson-CSF]. I know what I'm talking about, having been an entrepreneur for the past 40 years without interruption in the area of defence," said Mr Lagardère, who spent 11 years with Dassault aviation until moving into the driving seat at Matra in 1963.

But Mr Lagardère said that

he would not launch a formal bid until he knew what the government's conditions of sale really were.

With the chastening lesson of La Cinq behind him, he said: "There is no question of launching ourselves into a risky venture without first mastering all the elements at the outset."

The Lagardère group suspects - and this is the reason for its theatrical behaviour - that the dice are loaded against it, and in favour of Alcatel.

This is a reasonable deduction from President Jacques Chirac's announcement in February that he wanted Thomson sold off as a single group, as part of a strategy to regroup the French defence industry and then to attract European allies.

This seemed tailored to suit Alcatel's apparent readiness to bid for Thomson Multimedia, the indebted and still loss-making consumer electronics unit of Thomson, as well as for the profitable Thomson-CSF.

By contrast, Mr Lagardère is open about his desire for

Thomson-CSF alone, although to accommodate the government's wish to get rid of Multimedia, he is ready to arrange a buyer for the TV-making company. To this end, he has talked to Daewoo of Korea. Multimedia operates mainly in Asia and the US.

His main aim is to change the rules of the game to allow Thomson-CSF and Multimedia to be sold separately. But his fallback position is that, if the rules are to remain unchanged, they should at least be clarified to stipulate that any buyer must hold on to both parts of Thomson for a set period.

The reason is simple. The prospect of Thomson-CSF ending in hands other than its own, and particularly in Alcatel's, strikes fear into the Lagardère group; it would see its defence business - even with its new joint missile venture with BAE - dwarfed by the new combine. If Alcatel wins, Lagardère wants to see the Thomson Multimedia for at least a few years.

None of this presents a pretty picture of relations

between France's defence industrialists, which have soured in the long delay by successive French governments in restructuring the industry.

Certainly, Mr Lagardère has warmer relations with other Europeans. In addition to the BAE missile deal, Matra has joint ventures with GEC-Marroni in space, with Ericsson of Sweden in telecoms, and with Siemens of Germany on metro transport systems.

Despite the claims made this week by Mr Forgeard of Matra, neither BAE, nor Daimler-Benz, nor GEC is unequivocally lined up with Lagardère and against Alcatel at this stage. Lord Weinstock, for instance, has to keep in with both sides because of his big GEC-Alstom joint venture with Alcatel.

However, their potential presence at Mr Lagardère's side would give a bid for Thomson financial plausibility across European credentials. Lagardère is smaller than Alcatel but has a better capital-debt ratio and is only considering buying half of Thomson with others, whereas Alcatel is apparently ready, on its own, to swallow the whole.

The government clearly wants at least two sides to do battle for Thomson. Mr Lagardère has added up his horse but wants to inspect the terrain before the fight begins.



The success of top artists masks a fall in classical music sales, says Alice Rawsthorn

Search for the stars of the future

Anyone who wants to buy a copy of the most popular classical recording ever should hurry. Yesterday Decca stopped distributing *In Concert*, the recording of the 1990 performance of the Three Tenors.

It will not be out of the shops for long. Hoping to sell even more copies, Decca plans to release a repackaged version of *In Concert* on the eve of their UK debut when José Carreras, Plácido Domingo and Luciano Pavarotti sing at Wembley Stadium on July 6. Warner Music will issue a new version of *The Three Tenors In Concert 1994* at the same time.

Having sold over 20m copies of those albums, each of the Three Tenors is demanding seven-figure advances for their US tour in the autumn. Yet their success masks a slowdown in the rest of the classical music market. Sales of traditional repertoire, such as operas and symphonies, are sluggish, and there is fierce competition among companies to sign the Three Tenors of the future.

Classical music, like every other musical genre, saw sales increase sharply during the late 1980s as consumers bought compact discs to replace their vinyl collections. The UK market almost doubled, from £23.5m in 1985 to £43.8m in 1990, according to the British Phonographic Industry, which represents record companies.

Most people have now completed their CD collections, and classical sales fell by 4 per cent to £51.9m in the UK last year. The picture would look even worse without compilation albums, such as 1995's best-seller *The Best Classical Album In The World... Ever*. These are anathema to purists, but swap the classical charts.

"People ask why we churn out so many compilations - it's because they sell," says Bill Holland, managing director of Warner Classics. "We're about to release one called *Classic Love* and we'll probably sell 50,000 copies in two or three weeks. We'd be lucky to sell

2,000 copies of a symphony in two months."

Compilations now represent half the classical market, and their popularity has disguised the decline in demand for traditional repertoire, which commands less than 3 per cent of total UK music sales. This area of the market is also cluttered by the albums released when record companies ransacked their archives to produce CD versions of old recordings, and by recent releases from the privatised state music archives in eastern Europe.

The saturated market, coupled with high recording costs (at least £100,000 for a symphony and up to £1m for an opera), has prompted record companies to release fewer new versions of traditional works.

"If you make a new Beethoven piano concerto, you're in competition with the greatest pianists who ever recorded," says Peter Galt, president of Sony Classical. "We're doing fewer recordings of higher quality because we have to be sure they'll be exceptional."

Large classical companies - Sony, EMI, Warner, BMG and PolyGram, which owns Decca and Deutsche Grammophon - are also pruning their catalogues. "There used to be a sentimental attitude - 'this is a wonderful recording, we must have it' - and it stayed in the catalogue for 30 years," says Mr Holland. "Now we take a very cool look at the catalogue. If a record sells, it's repackaged every 18 months, if not it's deleted."

Some companies, notably Sony, are becoming more active in recording contemporary pieces and neglected works from the past. However, the industry's chief obsession is to sign singers, musicians and conductors. These, it hopes, will persuade the public to buy their interpretations of traditional classics.

Historically, the relationship between classical stars and record companies has been relatively loose. Some artists, notably Plácido Domingo, have sold recording rights on an ad



From left to right: Plácido Domingo, Luciano Pavarotti and José Carreras

hoc basis. Others are under contract, as Luciano Pavarotti is to Decca and José Carreras is to Warner, but companies tend to have pre-emptive, rather than exclusive, rights over their projects.

Both Carreras and Domingo were paid flat fees, reputedly of \$100,000, for the first Three Tenors album, whereas Pavarotti earned several million dollars from the royalties to which he was entitled under his Decca contract. Sales of

that album were so high that the trio's manager, Tibor Rudas, was in a strong position when selling the rights to their 1994 concert.

He emerged, reportedly having thrown a bottle of mineral water during the negotiations, with an unprecedentedly lucrative deal of a \$6m advance for each tenor and royalties of 25 per cent, higher than Madonna's or Michael Jackson's.

Companies are now trying to forge a closer rapport with

their artists. "Creating a star requires long-term investment," says Chris Roberts, president of PolyGram Classics. "The industry must become more aware of the importance of co-ordinating recording with live performance, as it does with rock stars."

Sony now adds clauses to its contracts stipulating that it should be consulted about live performances. Once it launched classical albums simultaneously worldwide, but now it staggers them to coincide with concerts.

However, the overriding problem is finding stars with the Three Tenors appeal. So far, there is no sign of the emergence of a new cadre of conductors of the calibre of Leonard Bernstein or Herbert von Karajan. "The great conductors used to work with their orchestras for 30 years," says Mr Galt. "Now they spend so much time as guest conductors, that every great orchestra is the product of the same guest conductors, and they all sound very similar."

The industry has had better luck with musicians and singers, although the only ones thought to have the Three Tenors' commercial promise are Roberto Alagna, the Sicilian tenor, and his wife, Angela Gheorghiu, the Romanian soprano, signed to EMI and Decca respectively.

The latest edition of American Vogue describes them as "opera's most romantic and gossip-making couple" in a interview conducted in a stretch limousine with "MUSIC" as the number plate. "Their album, *Quasi and Arias*, has gone straight into the UK classical chart at number two, behind the *Hall of Fame* compilation from Classic FM, the radio station.

"There are other young tenors with wonderful voices, but Alagna is the only one with the charisma of a Pavarotti," says the head of one classical label. "We may never again have three tenors with great voices and great charisma in the same generation."

The earth moves

The frenzy over Quake reflects masterful marketing, says Paul Taylor



begging for Quake's release. "Given id's brand recognition, the buzz surrounding Quake in the marketplace, and Quake's technological advancements and game play, I believe it will be one of the biggest sellers of all time," says Mr Mike Davila, editor-in-chief of the US-based Computer Player magazine.

Others point out that Quake's arrival is timely since it will help satisfy the growing demand for sophisticated 3-D games which can be played on today's powerful home PCs. Doom's pioneering game-play interface - described by its creators as a "first-person, texture map style game" - allows the player to look into the 3-D world through the eyes of the hero.

Quake takes a similar approach, but uses a new "graphics engine" which allows players to "travel, stalk and battle within the six degrees of freedom". Heavy-metal sound effects are provided by Trent Reznor, a Doom addict and leader of

the rock band Nine Inch Nails.

And, say those who have seen early versions, not only is Quake even more realistic than Doom, it is even bloodier.

Under the "try-before-you-buy" shareware approach, games enthusiasts will initially be able to download Quake free from id Software's Internet site (<http://www.idsoftware.com>) and other sites storing copies. The company will invite players to send feedback to improve the game.

Even the final version, however, will be released in a cut-down shareware format at about \$10, encrypted on CD-Rom. Buyers wishing to play the full version must pay another \$40 or so for a code that unlocks the rest of the game on the CD-Rom, or download it from id Software's Internet site.

The company will not be doing any traditional promotions or print advertising for Quake - the plan is to let the shareware do the advertising as it did for Doom. "Our greatest advertisers are our users," says Mr Wilson of id.

The model has worked well in the past for a company which estimates that some 15m shareware copies of Doom are in circulation, passed from player to player on floppy disk or online networks. It was used for other games, including Wolfenstein 3-D, several Doom sequels and more recently Heretic and Hexen. Last year id, which comprises just 14 people of whom six are employee-owners, recorded sales of \$6.6m.

The company was formed in 1991 by Mr Romero, Mr John Carmack, id's lead programmer and technology guru, and Mr Adrian Carmack, a computer artist (and no relation to John). The three met while working for a software company called Softdisk in Louisiana, and moved a year later to Mesquite.

Nevertheless the company's youthful founders - Mr Romero, id's game designer, is the oldest partner at 38 - say they have no plans to take their private company public. They insist they just want to have fun, and that a listing would cramp their style.

"Our ultimate goal is for Quake to be as successful, if not more successful, than Doom," says Mr Wilson.

Sun may be setting on market upswing

Tokyo shares have shone in the past year but there are clouds on the horizon, says Gerard Baker

International investors are showing no sign of ending their infatuation with the Japanese stock market. This week, as the Nikkei index notched up another big gain, non-Japanese fund managers were still enthusiastically heeding the advice of brokers to hitch a ride on the strongest and longest recovery for six years.

But with the index now more than 50 per cent above its low point last summer, warning lights are starting to flash: is there more to be squeezed out of the market or is it already too late to join the rush?

It has certainly seemed like quite a party for the bullish investor in Japan in the last year. If you had, for example, with uncanny prescience, switched a large portion of your money into Japanese stocks on July 3 last year, you might think that you had reason to feel very pleased with yourself.

Since that day, when the Nikkei index of 225 leading stocks hit a 30-year low, the index has risen from 14,485 to 21,916, an increase of 51 per cent.

An impressive performance - but on closer inspection the gains have been rather less spectacular. Assuming you started with dollars on that balmy day last summer, you could have bought your Japanese stocks at an exchange rate of 85 yen to the dollar.

If you tried to sell now and realised those gains, you would have to

do so at a rate of about ¥108; that currency appreciation of about 25 per cent takes care of close to half the profit.

But there is also the question of what assets the savvy investor might have liquidated to buy those Japanese stocks. If the answer was shares in the US, the UK or any of the leading European markets, the relative gain made from moving into Japan falls even further. Since last July, the US market has risen by more than 20 per cent and European exchanges by between 12 per cent and 21 per cent.

In all, the brave investment decision to switch from other big bourses into Japanese equities last July might have netted a real opportunity gain of not more than a few per cent.

Of course, those who hedged their foreign exchange risk would have fared better in relative terms, as would those who switched their funds from cash or even fixed-income instruments to Japanese equities. But even then, the profits made would have been a long way short of matching the "pure" Nikkei gain.

All the more reason then, in the

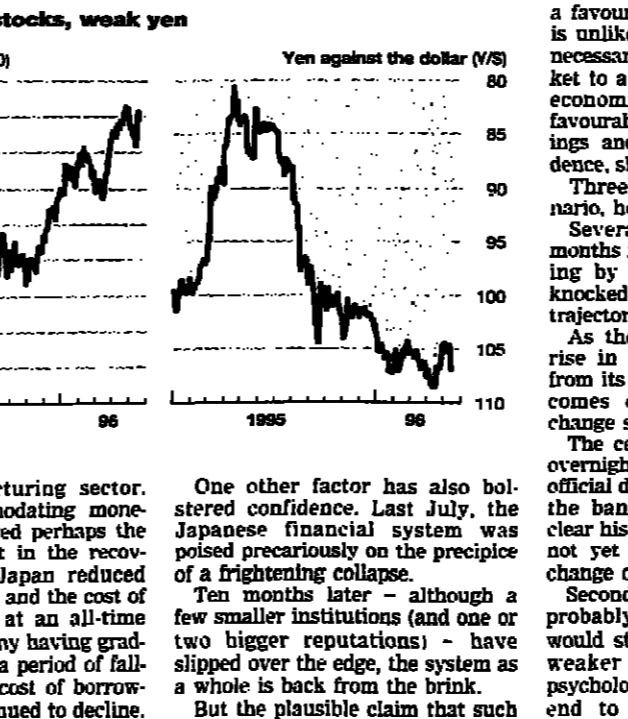
face of the dispiritingly modest gains on Japanese equity investment in the last year, for international fund managers to be lured back to the possible attractions of further increases in the Nikkei in the next year or so.

So far in 1996 they have been heavy net purchasers, buying ¥2,900bn in stock up to the end of last week, compared with ¥3,500bn in the whole of 1995.

But profiting from further increases in the Nikkei will not be easy. The rare confluence of favourable factors that gave rise to the sharp recovery in the last year is almost certainly not repeatable.

The economic recovery, which sputtered to a halt last spring, has been strengthening steadily since. Corporate earnings have risen accordingly this year, with pre-tax profits increasing at their fastest rate for seven years, although from a depressed base.

The yen's sharp fall, injurious though it might have been to the fortunes of overseas investors in Japan, has helped the market along. There is a strong correlation between the exchange rate and the price of equities in Japan's



export-led manufacturing sector. A highly accommodating monetary policy has played perhaps the most important part in the recovery. The Bank of Japan reduced rates twice last year, and the cost of borrowing remains at an all-time low. With the economy having gradually emerged from a period of falling prices, the real cost of borrowing money has continued to decline.

One other factor has also bolstered confidence. Last July, the Japanese financial system was poised precariously on the precipice of a frightening collapse.

Ten months later, although a few smaller institutions (and one or two bigger reputations) have slipped over the edge, the system as a whole is back from the brink. But the plausible claim that such

would also be significant. But with the US economy continuing to expand at a healthy rate, and with little early prospect of a rise in Japanese interest rates, the chances are that the dollar-yen interest rate differential may widen still further. And fundamentals, such as the falling Japanese trade surplus, are also likely to continue to depress the yen.

The third and biggest risk for the Tokyo stock exchange, however, is not easily dismissed. It is the uncertain outlook for the balance of supply and demand in the market.

In the next few months, a big influx of new equity will arrive from a series of delayed privatisations and bank recapitalisation programmes - perhaps worth as much as ¥8,000bn, the largest amount of new equity for six years.

That supply may have difficulty finding sufficient demand. The pattern of buying and selling remains as it has for most of the last few years - foreigners willing to buy, but most categories of domestic investor anxious to sell.

With the market already near its highest level for four years, the pressure on domestic investors to sell and realise gains on their equity holdings is already strong.

It seems that the foreign investor's confidence in the Japanese market will need to grow even stronger if share prices are to make much further progress.

CURRENCIES AND MONEY

MARKETS REPORT

Dollar limps

By Philip Gawth

The dollar yesterday limped to a close in London as a measure of pessimism set in after its inability to break through DM1.54 and ¥107.

The dollar broke above ¥107 after the release of the March US trade figures, but then fell back sharply, apparently in options-related selling.

It closed a penny weaker in London at DM1.5362, from DM1.5368, and at ¥106.645, from ¥106.665.

It was a fairly quiet day in the markets, with few statistical releases or news items for traders to fasten on to.

The weaker dollar helped boost the D-Mark, which finished firmer against the yen at ¥98.87, from ¥98.39. In Europe, it was slightly firmer against the French franc at FF3.388, from FF3.386.

Sterling lost ground against the former D-mark, finishing at DM2.3132 from DM2.3231.

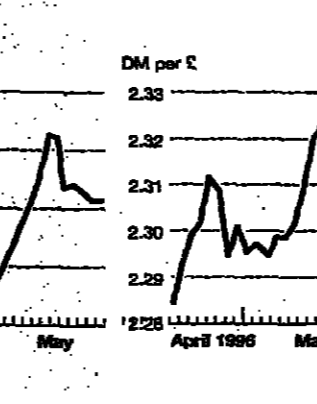
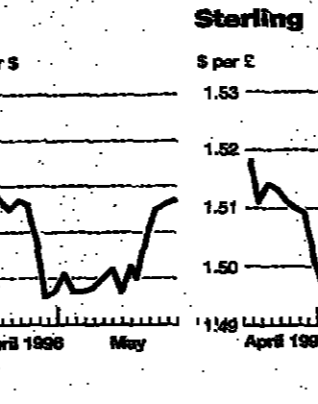
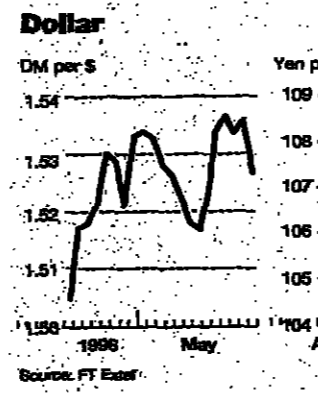
Against the dollar it closed at \$1.5157, from \$1.5117.

The key feature of the week's trade was the reversal of the recent period of yen strength. The yen had rallied on speculation that Japanese interest rates would soon rally, but this view was revised following comments from senior Bank of Japan and Ministry of Finance officials.

Mr Kit Juckes, analyst at NatWest Markets in London, said the dollar need to break above ¥107 and DM70 to effect the necessary "mood-shift".

Mr Paul Meggysey, currency strategist at Deutsche Morgan Grenfell in London, said the dollar's sharp fall after reaching ¥107.10 was probably related to activity in the options market. He said it appeared that dealers who had earlier bought dollars to hedge positions they had in the options market had been able to sell those dollars when the options (to buy dollars) expired around ¥107.

Mr Meggysey said there was some evidence of the "options tail wagging the spot dog". With markets very quiet at present, he said traders and customers were taking "range bets" in the options market. These trades are profitable



Source: FT Base

Source: FT Base

Source: FT Base

when currencies stay within certain defined limits.

The trade data did not have any durable impact on the dollar. Strong import demand saw the deficit rise by 27 per cent in March to \$8.92bn. This was well above market expectations, but it was offset by the downward revision of the February deficit to \$7.04bn from \$8.19bn.

There is little currency movement of much note in Europe. The most striking feature of trading at present is the

extremely low levels of volatility. Not only have European currencies traded in fairly narrow ranges, but the expectation is that they will continue to do so.

There are two symptoms of what Mr Juckes describes as the "beautiful peace and quiet in the ERM". One is the low level of options volatility. The other is the fact that all the ERM currencies have returned to trade within the narrow, 2% fluctuation bands against their D-Mark central rates, which applied before these bands

were widened to 15 per cent in August 1993.

The narrower these fluctuation bands, the less the tension in the exchange rate mechanism, and the greater the optimism about the prospects for the single currency project.

Mr Hans Tietmeyer, the Bundesbank president, told a big forex gathering in Frankfurt that any softening of the criteria for membership of a single European currency would be "fruitlessly penalised" by world financial markets.

POUND SPOT FORWARD AGAINST THE POUND

Table with columns: May 17, Closing mid-point, Change on day, Bid/offer spread, Day's high/low, One month, Three months, One year, Bank of England Index. Rows include Europe, Australia, Brazil, Canada, Mexico, USA, Pacific/Middle East/Africa, Asia, Hong Kong, India, Japan, New Zealand, Philippines, Saudi Arabia, Singapore, South Africa, South Korea, Taiwan, Thailand.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns: May 17, Closing mid-point, Change on day, Bid/offer spread, Day's high/low, One month, Three months, One year, J.P. Morgan Index. Rows include Europe, Australia, Brazil, Canada, Mexico, USA, Pacific/Middle East/Africa, Asia, Hong Kong, India, Japan, New Zealand, Philippines, Saudi Arabia, Singapore, South Africa, South Korea, Taiwan, Thailand.

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Table showing exchange rates for various currencies against the Dollar (DM) and Pound (£). Includes columns for currency, rate, and change.

EMU EUROPEAN CURRENCY UNIT RATES

Table showing EMU European Currency Unit rates for various currencies. Includes columns for currency, rate, and change.

UK INTEREST RATES

Table showing UK interest rates for various terms (Overnight, 7 days, One month, Three months, Six months, One year). Includes columns for rate and change.

THREE MONTH STERLING FUTURES (LIFE) £500,000 points of 100%

Table showing three-month sterling futures rates for various months (Jun, Sep, Dec). Includes columns for price, change, and open interest.

THREE MONTH EURO CURRENCY FUTURES (LIFE) DM1m points of 100%

Table showing three-month Euro currency futures rates for various currencies and months. Includes columns for price, change, and open interest.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing three-month Euro dollar futures rates for various months. Includes columns for price, change, and open interest.

THREE MONTH EURO SWISS FRANC FUTURES (LIFE) SF1m points of 100%

Table showing three-month Euro Swiss franc futures rates for various months. Includes columns for price, change, and open interest.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing three-month Euro dollar futures rates for various months. Includes columns for price, change, and open interest.

UK CLEARING BANKS

UK clearing bank base lending rate 8 per cent from March 8, 1996

Certs of Tax dep. (£100,000) 5% 5% 5% 5% 5%

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7 days 6.5% 6.5% 6.5% 6.5% 6.5%

One month 6.5% 6.5% 6.5% 6.5% 6.5%

Three months 6.5% 6.5% 6.5% 6.5% 6.5%

Six months 6.5% 6.5% 6.5% 6.5% 6.5%

One year 6.5% 6.5% 6.5% 6.5% 6.5%

Five year 6.5% 6.5% 6.5% 6.5% 6.5%

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Five year 6.5% 6.5% 6.5% 6.5% 6.5%

Overnight 6.5% 6.5% 6.5% 6.5% 6.5%

BASE LENDING RATES

Table showing base lending rates for various banks and currencies. Includes columns for bank, rate, and currency.

EUROAREA OPTIONS (LIFE) £100m points of 100%

Table showing Euroarea options rates for various currencies and months. Includes columns for price, change, and open interest.

OTHER CURRENCIES

Table showing interest rates for other currencies. Includes columns for currency, rate, and change.

FT GUIDE TO WORLD CURRENCIES

The FT Guide to World Currencies table can be found on the Markets pages in Monday's edition.

FOREX MARGINED FOREIGN EXCHANGE TRADING

OFFSHORE COMPANIES

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MarketEye

MARGINED FOREIGN EXCHANGE TRADING

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WORLD INTEREST RATES

Table showing world interest rates for various currencies and terms. Includes columns for currency, rate, and change.

EURO CURRENCY INTEREST RATES

Table showing Euro currency interest rates for various currencies and terms. Includes columns for currency, rate, and change.

THREE MONTH EURO CURRENCY FUTURES (LIFE) DM1m points of 100%

Table showing three-month Euro currency futures rates for various currencies and months. Includes columns for price, change, and open interest.

THREE MONTH EURO SWISS FRANC FUTURES (LIFE) SF1m points of 100%

Table showing three-month Euro Swiss franc futures rates for various months. Includes columns for price, change, and open interest.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing three-month Euro dollar futures rates for various months. Includes columns for price, change, and open interest.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing three-month Euro dollar futures rates for various months. Includes columns for price, change, and open interest.

EUROAREA OPTIONS (LIFE) £100m points of 100%

Table showing Euroarea options rates for various currencies and months. Includes columns for price, change, and open interest.

OTHER CURRENCIES

Table showing interest rates for other currencies. Includes columns for currency, rate, and change.

FT GUIDE TO WORLD CURRENCIES

The FT Guide to World Currencies table can be found on the Markets pages in Monday's edition.

PERSPECTIVES

The Nature of Things

Where did all the mad cows come from?

Clive Cookson examines the origins of BSE and concludes that vital lines of research are being ignored

Less audible than the political Euro-squabble over British beef, but almost as acrimonious, is the growing scientific debate about the origins of BSE or mad cow disease. Since the government's devastating announcement on March 20 of a "probable link" between BSE and a new form of the human brain disease, Creutzfeldt-Jakob disease, an increasing number of researchers have been challenging the official explanation of the cause of the mad cow epidemic. They have several different ideas of their own but are united by a common anger about the refusal of the Ministry of Agriculture, Fisheries and Food (MAFF) to look beyond the theory adopted by its own scientists when BSE was first identified in 1986.

According to MAFF, the source of BSE was high-protein cattle feed contaminated with scrapie, a long-established disease of sheep which produces a spongy deterioration of the brain similar to BSE. The feed was prepared from parts of sheep and cattle carcasses that were sur-

plus to the human food industry. At the beginning of the 1980s the rendering companies changed the manufacturing process, reducing the temperature and using less solvent to extract the fat. The new conditions would have killed all known viruses and bacteria but they did not destroy prions, the exceptionally robust particles of infectious protein that cause the group of diseases known as spongiform encephalopathies. Scrapie prions "crossed the species barrier" and triggered the BSE epidemic that has so far affected more than 180,000 cattle in the UK.

There are two levels of attack on this theory. MAFF's radical opponents reject the whole idea that

contaminated feed was the main cause of the epidemic. The greater critics accept the association between BSE and cattle feed but challenge the view that scrapie was responsible. MAFF blamed scrapie because it was an established - though rare - disease of sheep which its own scientists were studying when BSE was first identified. At that time no spongiform disease of cattle was known. But research over the past 10 years suggests that most, if not all, species of mammal are susceptible to infection by prions - rogue forms of a normal brain protein. Low background levels of prion disease exist naturally in most mammalian populations and there

is no reason why cattle should be any different. Indeed some historical references to "the staggers" in cows may be to BSE. Since both sheep and cattle remains were incorporated in the high-protein feed, there is no need to invoke a species jump from scrapie to BSE. It is possible that BSE was already present in cattle and that a virulent strain of the prion was amplified through the cannibalistic feeding system until it emerged as an epidemic.

The US Department of Agriculture has sponsored experiments in which brain tissue from sheep with scrapie was injected into calves. The cows did indeed develop a brain disease but it was quite dif-

ferent, in its symptoms and pathology, from BSE. The result does not disprove the theory that BSE came from sheep - a different and more virulent strain of scrapie may have been involved in the UK - but it is strong contrary evidence.

Whether or not the prions jumped from sheep to cattle is of more than academic interest. It affects the argument over the likelihood of BSE moving on to cause CJD in people.

The reassurance offered by MAFF was based on the fact that epidemiologists had found no link between CJD and human consumption of lamb and mutton - even sheep's brains - although scrapie has existed for at least 200 years. But

if BSE originated in cattle, and is therefore different to scrapie, this is not wholly reassuring. Indeed, research at Oxford University, published in Nature last month, showed disturbing similarities between cattle and humans in their normal prion protein, while the corresponding molecule in sheep is significantly different. On the other hand, if MAFF is right and the disease has already jumped from sheep to cows, why is a further leap to people so implausible? Seen in that light, it would be reassuring to know that BSE did begin in cattle.

The idea that BSE had nothing to do with contaminated feed is very much a minority view. Although

scientists are challenging the idea that it started with scrapie, most accept MAFF's evidence linking the epidemiology of BSE - the way it spread through cattle herds - with changes in animal feed processing. However there is no direct proof of this link. A few specialists say the epidemiology fits just as well with another change in British agriculture in the early 1980s: the drenching of cattle with organophosphate pesticides to eliminate warble fly, *Musca autumnalis*, the Somerset farmer and self-taught biochemist who champions this idea, is officially regarded as an irresponsible maverick - and he is almost certainly exaggerating his case - but the theory is scientifically plausible enough to be worthy of serious investigation.

Even if contaminated feed is the main cause of BSE, organophosphates may have made the animals' brains more susceptible to attack by prions. Experiments to find out would cost less than £100,000 - while the bill for BSE will run into billions of pounds.



An eye on the weather: Bob and Robin Yates with their Rain-Sava device that diverts used household water to a water butt

Minding Your Own Business / Clive Fewins

Money pours down the drain

Bob Yates sometimes wonders why he started Raindrain 4½ years ago. The venture has lost him more money than he has made and he still has £30,000 of his own capital tied up in the company.

It was not for the successful packaging company that he has run since 1983 he would not have been able to start Raindrain in the first place. "At times I think it would have been wise to have abandoned the project at birth," said Yates, 50.

"However, there were good reasons for starting the venture. The rain saving device was my son Robin's invention and I thought it a very good idea. It helps conserve valuable natural resources, and I have always had a hunch that eventually it will come good."

Yates believes 1996 is the year his hopes will be fulfilled, not least because there are warnings that water in drought-ridden West Yorkshire, especially Calderdale, near Yates' Dewsbury base, will become even more scarce this year.

The idea for the business came in 1990 when Robin, then 17, was doing a chemistry project for his geography A-level course. He was

interested in the economic re-use of water and created a bottle-type device which he fitted into a plastic downpipe at the family home. It diverted water to an adjoining water butt and automatically re-diverted the water back to the downpipe when the butt was full.

"It was a simple invention but it worked," said Robin, now a second year chemistry student at the University of Manchester.

Once he had decided to back the idea using his own funds, Bob Yates found he was in a good position to get the project off the ground.

"As we already had staff and premises it was easy to switch staff to assembling Rain-Sava when we had quiet days, and to keep our overheads low," he said. "The Rain-Sava was assembled from standard parts, so there were no expensive tooling costs."

The plastic parts came from a large rainwater systems manufacturer in nearby Doncaster. A business associate, John Hurst, now a director of Raindrain, persuaded the Doncaster company to supply them with components to the value of £50,000 on credit.

By the end of its first year of trading, and with Robin as the third director and sole employee, Rain-

drain had assembled and sold 50,000 units by going to shows, using a network of agents and by mail order. Turnover was £300,000 and the gross profit £20,000.

"It was a brilliant first year," Robin said. "At age of 19 I was ready to retire and move to Spain."

However things changed rapidly in year two, when Bob Yates decided the product needed re-designing.

"As I originally trained as an engineer I thought I could improve the device," Yates said. "People had encountered problems fitting the units, which meant design changes, and I also felt we needed two versions of the product - for round and square pipes."

The modified design was easier for customers to fit. It also had a leaf and debris trap inside, and a detachable sliding collar that meant the same unit could be fitted to either round or square pipes.

But there were problems. Tooling for the Mark II version cost £40,000, and, being more complicated, it had to be made elsewhere, thus greatly reducing margins.

In 1993, Raindrain spent £20,000 on an exhibition stand, and a further £30,000 on advertising and promotion. The company also

employed a salesman to cover the south of the country. A wet summer led to sales dropping to 8,000 units. At the end of year two Raindrain registered a loss of £70,000. "We had spent virtually all the first year's profits," said Bob Yates.

The following year also saw a wet summer and sales of only 5,000 units. They had cut costs drastically - including parting company with the salesman - and managed to reduce the losses. However, due to poor sales at the main retail outlets, Rain-Sava was discontinued by most main retailers.

"Although we registered a profit of £2,000 in 1994, the year was a financial disaster because we decided to withdraw all the Mark I units, which we felt had been overtaken by the new ones," said Bob Yates.

"We took 10,000 old units back and replaced them with the new model. This cost us £250,000."

The old units were destroyed and Yates and Hurst kept the company afloat by putting in a further £5,000 each.

"Fortunately John negotiated an arrangement with our manufacturer, to whom we then owed £55,000," said Yates. "We agreed to pay him back at the rate of £5,000 a

month. In effect we were insolvent."

The following year - 1996 - was even more frustrating. Lack of stockists and also money to place mail order advertisements meant they were unable to capitalise on the dry July and August weather, and sales were again poor.

The three directors felt frustrated at being unable to afford to go to the main gardening exhibition at the National Exhibition Centre last October to show off their product.

"Fortunately John Hurst did go to the exhibition. He took a Rain-Sava with him, and managed to interest a big garden supplier in adding it to its product list," said Yates.

"The product now bears the name of Cookson Plantpak. We sell to them, and whether it rains or not in 1996 it does not bother us any more."

"Margins will be much lower but we are no longer in arrears with our manufacturers. With water shortages threatened again, demand in the new season has been very good so far. We have a new, larger diameter, European version of the Rain-Sava and we are working on a new product. This could well be the year..."

Raindrain Ltd, Albert Mills, Mill Street West, Dewsbury, West Yorkshire WF12 9AE. Tel: 01924-468564.

Home Truths

A time-bomb ticking away in Hull

Kieran Cooke takes away memories of Philip Larkin and Chinese meals when he revisits his alma mater

Philip Larkin bumbled round the corner, catching me in a compromising position with one of his assistants in the library's theology section. Being a gent, the poet emitted a mild harrumph and, before turning on his heel, apologised for his presence.

Twenty five years ago Larkin was Librarian at Hull University and I was an undergraduate. One of the reasons Larkin ended up there was the city's inaccessibility.

Larkin would talk of students from the US who were "doing him" for their special literature grades. They would ring from London to say they were on the way but then, hearing the complications of the train connections through Doncaster and Goolis, would trot off to Newcastle and see someone else.

Larkin was not, in public, an expressive man. But he would permit himself a satisfied smile at the thought of fresh-faced American sophomores passing him by.

I was back in Hull last week giving a seminar at my old department of south-east Asian studies. Only one person went to sleep.

In the 1960s, in a move designed to curtail Oxbridge elitism, several specialised studies were moved out to the new red brick institutions. Leeds was given Chinese. Manchester was handed anthropology. Hull was thrown south-east Asia.

A small group of us would sit overlooking the fish factories trying to get our tongues around jaw-stretching Thai tones and stuttering Malay consonants. "There are nine different ways of saying the word for rice in Thai," said our teacher, a woman from Bangkok perpetually blue with cold. "We must have sounded like a school of deranged parrots."

As the wind from the North Sea whipped across the city, we would sagely discuss the cycle of tropical agriculture. Outside, the crows would bob and weave against the dark sky. Inside, the talk would be of Sumatran rhinos and aboriginal longhouses.

Our professor clearly felt let down by his students. "You mean you don't speak Dutch?" he exclaimed at our first seminar. "How on earth do you expect to come to grips with Indonesian history without it?" Needless to say, the history of the Indies is one of life's many subjects that has passed me by.

The professor felt the need to immerse us in the wider aspects of south-east Asia. On one occasion we sat on the floor in a freezing church hall listening to gamelan music. Years later, I bumped into one of the players in a hotel lobby in Bali. "Remember Hull?" I said brightly. The memory rendered him speech-

less. All he did was shake his head and shiver.

Another time, in order to familiarise us with the culinary delights of the region, we went to a Chinese restaurant in downtown Hull. In those days Chinese restaurants were fairly basic institutions, particularly in the outer regions of east Yorkshire.

One of our number was the victim of a wayward prawn. There and then he decided to jetison south-east Asia and do philosophy instead. "A lot bloody safer," he said.

As part of our cultural indoctrination, a museum of south-east Asian artefacts was founded. The professor undertook the task of filling its shelves, flying off to the region and returning laden with Oriental bric-a-brac. Fishing nets from Sulawesi. Carpets from Lombok, skirts from Chiang Mai, cock-

I was back in Hull to give a seminar in south-east Asian studies. Only one person went to sleep

fighting spurs from the Philippines. One case lovingly unloaded consisted of bits and pieces associated with the war in Indo-China. Suspicious of long bits of metal were placed in a Bangkok taxi driver and, thanks to some gap in my Hull education, been taken to a brothel instead.

Twenty-five years on, everything had changed, everything was the same. Philip Larkin has gone to his reclusive poet's corner in the sky. His assistant was not in the theology section. Someone recalled she had settled down with a man from business administration. Larkin would harrumph again at that.

Bore: a great tidal wave, created by the moon, that rides up certain rivers.

In the case of the River Severn, there are bore timetables which give the date, hour and place on the river of its arrival, as well as an indication of its size and splendour. Each tide has a star, from one to four, like a Michelin restaurant.

People who live beside the river possess drain-bungs, as well as regiments of sandbags (no doubt included in the price of the house).

My first evening bore encounter (there are two a day) was in autumn. That afternoon friends who had moved to a house beside the Severn collected me from Stonehouse station several miles away; that

All dressed up for a four-star bore

Penelope Bennett dons the necessary gear to report on the ripples from the river Severn

evening was spent dashing in and out of the back door in case this was one of the unpunctual tides.

But nothing could be heard, just autumn-night stillness. The river continued flowing, its surface straight-faced, almost ripple-less. Later, as we were about to raise our forks to our mouths, my host stopped speaking and, had he been a dog, his ears would have been cocked.

"I think it's coming." We deserted the food and rushed out into the night. We listened. The only sound, in the distance, was a train. How odd, I thought, that they hadn't mentioned there was a station somewhere closer than Stone-

house. But it was not a train. It was the sound of the bore, travelling up river, invisible to the night, but making the reeds and rushes on the river bank swish and sway agitatedly with a sound like whistling gale. As the bore poured upriver, it forced the outgoing tide inwards. The river did something rivers never do: it flowed backwards, for one hour.

The second evening encounter was in February. I stayed at a B&B establishment. The timetable promised this to be a four-star performance.

Serious bore-watchers book their river-facing rooms well in advance; dinners and breakfasts are arranged to fit in with

the tide's arrival.

At the time of evening when sleep normally beckons, Wellington-booted, kagool-wearing watchers left the house and disappeared into the darkness. It was snowing. Up and down the cold river's edge they paced. Despite its four-star commendation, the bore was already 20 minutes late. Then, without warning, there it was, right beneath our feet: a sudden upheaval, churning and slow bubbling of the water, as though some deep river creature was turning in its sleep.

Next morning, the silence at breakfast was broken by four enthusiastic watchers who had come from Liverpool University. But that was a short jour-

ney for the youngest member. Bores have drawn him to China, Canada, Australia, the Amazon and John O'Groats. He brims with enthusiasm not only for the science, but the literature, too. He has translated through the *Mit on the Floss*, Somerset Maugham's *A Yellow Streak*, and Robert Graves' *Claudius the King*, among others, for their descriptions of bores.

The third bore encounter was again with my Severn friends, who live in a long, narrow, almost boat-like house, close to the water. During the bore season, they, and others who have the Severn as a next-door neighbour, have to live by the river's timetable.

They must take note of the extra high tides, and make sure they stay at home then.

On that morning we got up early, as a particularly high tide of 10ft had been forecast. After all abutions had been completed, the heavy drain covers were heaved away and the drains blocked with the bungs to deter the tide from entering the house and garden. Sandbags were laid in front of the doors; all available buckets were placed on alert; and the car driven across the road to higher ground.

The previous evening the usually glittery fish-scale surface of the water had been choppy and dark grey; the reeds and rushes at its edge

blew frantically backwards and sideways. But in the morning it showed quite a different face. The sun shone on the great expanse of pale brown water, creating a pastel, blue-pink light. The surface was spread with a benign, innocent calm, and flowed smoothly.

Herons stood knee-deep in the shallows opposite. Then, for a second, the river appeared to pause, the last of the ripples were ironed out, as if smoothed with the palm of the hand.

A smooth scripted step of water was turning the bend in the river. Majestically it moves - at the speed of a galloping horse, they say. Its prow is crested and foamed with a

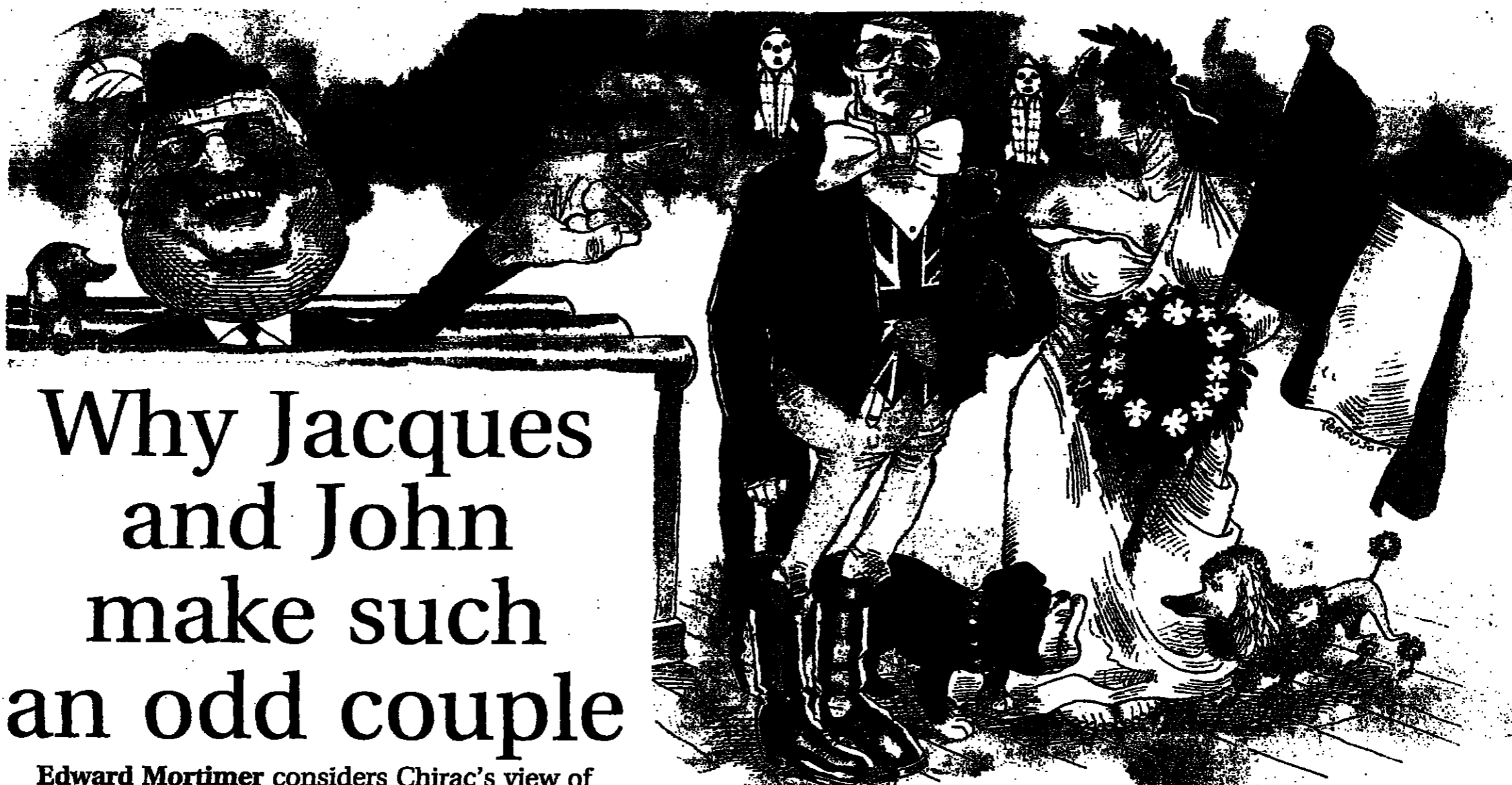
wave, followed by a retinue of wind and rustling reeds. Until the very last second the dare-devil waders, apparently oblivious, continue digging their beaks into the sand, and then, the tide touching their ankles, up they fly, heading the procession. In its wake follows a cavalcade of lump-backed waves, not river waves, but frothing, spumescant sea-ish waves.

We jumped into the car, and drove to another narrower part of the river. Standing in wellingtons on the bank we watched the swollen tide splashing itself between the narrow banks, creating plumes and fountains of spray that shot out on either side.

Surfers and canoeists ride the tides, too, spoiling the natural patterns. How irresistible they must find it, though, to realise that they are being propelled by the invisible moon pulling the tide and swelling the river.

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PERSPECTIVES



Why Jacques and John make such an odd couple

Edward Mortimer considers Chirac's view of Britain and Germany's relationship with France

Jacques Chirac's state visit to Britain this week went off with all the style and panache that two historic nations know how to muster and a relaunch of the *entente cordiale*.

By arranging the visit so promptly, Britain showed its eagerness to cultivate a French leader who shares its distaste for the more extreme forms of European federalism. And Chirac showed that he wants to be Britain's friend.

Significantly, one of Chirac's first acts on arrival was to lay a wreath at the memorial in Carlton House Terrace to Charles de Gaulle, his political forbear, who upheld France's honour and independence during the dark days of Nazi occupation.

In Britain, de Gaulle is remembered as a tiresome old man who took France out of Nato and kept Britain out of the common market. De Gaulle was obsessed with the need to restore France's greatness after the defeat of 1940, and was a tiresome ally. But his political career was founded on his decision to support Britain when most Frenchmen were accepting German hegemony.

And Churchill often backed de Gaulle, exasperating though he found him, against Roosevelt and Stalin, insisting that France be treated as one of the four victor powers after the war. Churchill and de Gaulle recognised each other as leaders of the two historic nations, on which all others are modelled.

Most modern historians agree that nationalism, as we now understand it, dates from the time of the French Revolution, when the state came to be seen not as the property of a king or dynasty but of all its subjects forming "the nation". But the idea can be traced right back to the Hundred Years' War, in the 14th and 15th centuries, when large parts of France were laid waste by English kings. That war, which began as a purely dynastic conflict between two French-speaking courts, developed into a struggle between peoples identifying themselves as "French" on one side and "English" on the other.

After that, French and English nationalism developed in reaction to each other, through recurring wars until the defeat of Napoleon in 1815. During the subsequent alliances, the two peoples' attitudes to each other have been at "endlessly shifting mixture of admiration and contempt". The English admire French food, wit, gaiety and artistic brilliance. At times also French egalitarianism and the political maturity of France's working class. But they recoil from France's alleged frivolity or immorality, and see French politics as prone to violence and authoritarianism.

The French attribute good taste to England's upper class...

...and admire British traditions of liberalism and self-government. But they also deeply mistrust "perfidious Albion", and often find English behaviour crude, boorish and mercenary.

Perhaps the biggest divide is in attitudes to the state. The French instinctively look to the state for a range of public goods, from artistic splendour to industrial or agricultural protection, and are suspicious of group identities, especially religious or ethnic ones, which threaten to divide the "one and indivisible Republic". The English, by contrast, are instinctively suspicious of state interference.

For all these differences, they have in common a long and proud history as self-conscious nation-states, and a national sense of humour.

So it is not surprising that after 1945 Britain and France became the two nations whose formal status in the postwar world far outstripped their real power. They were condemned, in a phrase coined much later by Douglas Hurd, to "punch above their weight". The most spectacular and disastrous

example of this was their joint invasion of Egypt in 1956, which was aimed not only at regaining control of the Suez Canal but at preserving their respective spheres of influence in the Middle East and North Africa. In the event it proved that neither could any longer project power overseas without US support.

When de Gaulle returned to power France was committed to the EEC

After 1956 their strategies for coping with national weakness diverged. Britain tried to keep as close to the US as possible, while France hoped a united Europe could become an equal partner of the US.

This reflected the two countries' different attitudes to Germany. When the US began pressing for West German rearmament as a counterweight to

Soviet strength in 1949-50, Britain saw no special problem. But for France, with memories of the Nazi occupation still fresh, it was a national crisis.

French leaders, with US encouragement, responded by proposing first the European Coal and Steel Community, then - even more daringly - a joint European army.

Britain held aloof. De Gaulle, then in opposition, attacked both projects bitterly, especially the defence community (EDC) which in the end was voted down by the French National Assembly in 1954.

But when de Gaulle returned to power in 1958 he found France already committed to the European Economic Community, under the Treaty of Rome signed the previous year, and decided to accept it. He went on to forge a close partnership with Konrad Adenauer's Germany, while opposing Britain's belated bid for EEC membership because he saw (correctly) that in strategic terms Britain still put relations with the US first.

The irony was that Adenauer also relied entirely on the US for security, as did France's other four EEC partners. While economic integration went ahead and Franco-German friendship blossomed, de Gaulle's efforts to build a "European Europe" (meaning one militarily and politically independent of the US) were frustrated. None of his EEC partners dreamed of following suit - least of all Germany - when he withdrew France from Nato's military structure in 1966.

Germany supported Britain's EEC candidature. Yet it was fear of Germany that prompted de Gaulle's successor, Georges Pompidou, to drop the French veto on British membership.

By 1969, when Pompidou came to power, Germany was again Europe's leading economic power. Pompidou feared it would be politically dominant and decided to react by proposing closer European integration. Once again this deeply divided the broader French public. And once again the British held aloof, judging each proposal on its economic and technical merits, with little or no understanding of the strategic

stakes. Like de Gaulle in the early 1950s, Jacques Chirac was in opposition when the Maastricht treaty was signed. Had he opposed it, as the majority of his party wanted him to, no doubt Maastricht would have gone the way of the European Defence Community. But he resisted that temptation, perhaps mainly because his hopes of returning to power depended on an alliance with pro-European conservatives. And so Chirac has inherited the task of implementing Maastricht, much as de Gaulle inherited the Treaty of Rome in 1963.

But he is also trying to preserve another part of de Gaulle's legacy, by insisting on a Europe of sovereign states rather than a supranational federation.

That explains why John Major seized on the chance to form an alliance with France, hoping it would enable him to please both pro and anti-European wings of the Tory party.

But this strategy has not worked as well as Major hoped. It could not avert the EU ban on British beef. Still less has it

aligned France with British Eurosceptic positions on the single currency, or even on majority voting in the EU council.

Last Friday, just before coming to London, Chirac slipped over to Bonn to reassure Helmut Kohl that French defence cuts would not affect Franco-German military co-operation. They agreed to see each other at six-week intervals from now on. Those regular meetings are far more important than all the fulsome Franco-British compliments exchanged this week.

The problem for France is that in a Europe of nation-states including Germany - such as existed with disastrous consequences between 1870 and 1945 - Germany is bound to be the strongest. Successive French leaders have groped for a formula which would preserve French sovereignty while channelling German energies into a European rather than a national enterprise.

The odd thing is how few British leaders seem to have grasped the problem, or to have understood that its solution is as much a British interest as a French one.

Kohl and Chirac have agreed to see each other at six-week intervals

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Hidden in the clouds

Nicholas Woodsworth on the problems of landlocked Lesotho

Although Qwa Qwa sounds like a big word, it is a leg of apartheid. Not long ago, it was an "independent homeland" of South Africa. Now, squashed against the Drakensberg mountains, it is a crowded, lively, impatient place, restless for the change the new South Africa has promised.

But I did not stop as I drove through summer rains, avoiding swarms of children on their way to school and roadside lines of people flagging down passing cars. Ahead, up the winding highway, through a rough little pass and behind a curtain of clouds, lay the mountain kingdom of Lesotho.

Hidden away in mist-covered ranges, and isolated from the outside world by the larger, better-known neighbour that surrounds it wholly, Lesotho seems to have escaped the worst of what events in the rest of the region have provoked. What, I wondered, lay behind the clouds?

After the pent-up energy of the former homelands, Buthe-Buthe, the first town over the border, came as a shock. Lesotho, it announced loudly to newcomers, had missed out on the energy, the productivity, the air of hopeful anticipation that South Africa has created.

Ramshackle houses and shops lined the muddy streets. A vegetable market, soddin in the drizzle, was laid out on plastic sheeting by the roadside. From the shebeens - impromptu drinking establishments of corrugated iron and rock-weighted roofs - came loud voices. Weaving and heavy-eyed, a man marched through the street playing an improvised guitar. Missing entirely was a sense that there was anywhere to go.

Buthe-Buthe was the place where, in 1920, an astute local leader named Moshoeshoe moved his people to resist the wars of Zulu expansion then bringing turmoil to much of southern Africa. From his mountain fastness, he carved out for his Basuto people their own homeland, a kingdom that under British tutelage remained independent.

Yet, as I drove on towards the narrow, crowded strip of lowland where most Basutos live, it became clear that such independence was only nominal. The men who walked the country roads were wearing what has virtually become a national uniform. The coloured Basuto blanket, worn by day and slept in by night, might be traditional but bright plastic mining helmets and rubber mining boots spoke of another life.

For the past century, the Basutos have provided a pool of cheap labour for the mines of South Africa. With about half of all able-bodied men absent, however, the wages have hardly compensated for the destructive effects of the migrant labour system on local development, on a once-viable farming economy, on the cohesion of Basuto society. White South Africa destabilised its black neighbours to the north with violence and military force. It did the same in Lesotho without lifting a hand.

The villages I drove through were poor. Most of working age men were few. Eight-year-old cowboys, in mining helmets too big for their heads, waved from eroded fields of red earth. With little means and nothing to do, barefooted women in blankets and head scarves stood by the roadside watching life pass them by. Did Lesotho's biggest city, I wondered, offer something more than its villages? Maseru, the nation's capital, was in mourning when I arrived; Moshoeshoe II, the recently deceased great-great-grandson of Lesotho's founder, was being buried that day. Outside my hotel, a well-guarded enclave of middle-class comfort on the hill above the town, a cortège of luxury cars was parked. Inside, come

to pay their last respects and dressed in traditional robes, beads and animal fur accoutrements, were nobility and tribal dignitaries from across the country.

Not everyone in the city remains attached to the respectful ways of the past, though. In down-at-heel Maseru, unemployment and want have brought other survival options - as I found out that evening in the Crossroads, the popular night spot on the city's main street.

The music was loud, the beer flowed copiously and the bar girls were free with their favours - or, at least, they were not charging much. Prostitution is not the biggest social problem accompanying family breakdown in Lesotho: Aids and crime are. But the girls became so persistent that I finally had to flee.

No sooner was I outside than I was hustled into a corner by two young men who demanded my money. Again I fled, ducking back into the club where I was met once again by my too-affectionate friends. Neither the frying pan nor the fire suited me: swallowing my pride, I was eventually led by the hand to my car by the club bouncer.

Lesotho seemed to me gloomy and hopeless, a place of chronic dislocation where life offered little to either Basutos or their foreign visitors. But I was not quite right. Far from the city and the crowded lowland villages is another Lesotho, high and remote, poorer still, but removed from the degeneration of modern Basuto life. I discovered it in the country's isolated south-east, in the highlands overlooking the

Orange River valley. I drove up the valley beside a boiling, mud-covered river one bright Sunday morning. On its lower reaches the roads were crowded with large matrons, white blouses starched and bibles in their hands, on their way to church. But, as the road became steeper and the countryside wilder, the villages and all traces of civilised gentility fell away.

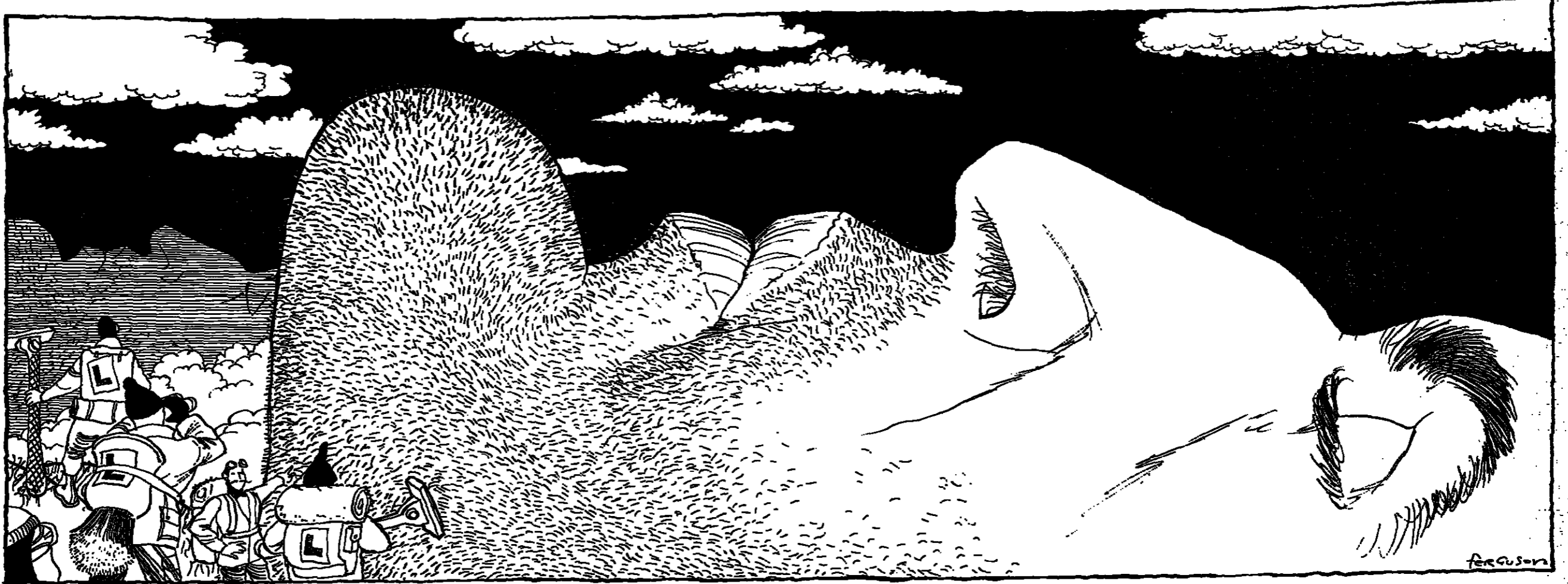
An hour or two later, with a dirt track stretching before me across the high, grassy plateau, I was transported to an earlier, more traditional age. The Basutos I saw now were mounted men, straw-hatted cowboys who swung easily in their saddles.

Their villages were tidy settlements of thatched-roof rondavels with neither electricity nor water. Their sheep, whose horses do not tethered to hitching rails outside, offered the provisions of a rough, isolated life: ropes, paraffin lamps, blankets, bags of meal.

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FASHION / HOW TO SPEND IT



Singing the praises of the barber shop

There are good reasons why men should be taught how to shave, says Damian Foxe

An untrained razor is like a sports car in the hands of a juvenile. The unshaped curves of the face, a series of twists and turns in a winding road, the meeting of the beard between neck and chin, are like a spaghetti junction; all routes lead to inevitable bloodshed. So it is alarming that in the opinion of London's top barber shops most men know little about shaving.

Who in their right mind would hand over a new car to their son without first teaching him how to drive? And yet who remembers his father teaching him how to shave?

Recently, London's top barbers have seen a marked increase in the number of men who want a proper shave. "We had noticed a changed emphasis; men wanted to learn the art of shaving correctly but not necessarily with a cut-throat razor," explains Ian Matthews, manager of the Curzon Street branch of the renowned Geo F. Trumper. "So we decided to set up Trumper's Shaving School." For £35, an hour of individual tuition is arranged, covering all aspects of wet shaving. It is a unique service.

But why do men need to be taught something which one would expect to be common knowledge - a daily routine the world over?

Nobody is certain when men started to remove hair from their faces. Archaeological evidence shows that the Egyptians, Greeks and Romans shaved to signify noble birth, status and even suggestions of divinity. Many techniques were employed to remove hair; plucking, singeing with red-hot irons, shaving with a sharpened shell or flint.

The first razors were forged from bronze or iron but it was not until the development of hardened steel and the invention of the precision "cut-throat" razors that the process became relatively painless.

The greatest transformation came in 1903. The American salesman King Camp Gillette, invented and patented the first safety razor, recognising the marketing possibilities of a disposable blade. However, his invention brought about the "de-expertisation" of men's shaving.

The tradition of a man visiting his barber every morning lasted until the first world war, with many gentlemen keeping their shaving mugs and razors at the more exclusive salons. Then there was a significant move towards do-it-yourself, with men adopting the new safety razor for home use.

But they did not bring home the specialised knowledge of the barber.

Hot towels were replaced with scraps of paper, blood-encrusted and dangling ridiculously from damaged pores or sliced lips.

The personalised barbering tradition suffered a further blow in the early 1980s, with the widespread fear of Aids. Although hardly mentioned in the reserved surroundings of the gentleman's salon, the fear of infection spread. Sterilising equipment proved expensive and inconclusively effective. It was not until open razors with disposable blades were introduced that concerns started to ease.

Here is a comprehensive guide to shaving, culled from expert advice shared by the managers of London's top gentlemen's salons.

1. It is vital to heat the beard to make it supple and to remove any dirt. It is arguable whether hot water or a hot towel are best at this initial stage, but the rule remains the hotter, the better.
2. Lather the face. Barbers universally agree that modern gels and foams are useless. They fail to lift the hairs, instead flattening them to the face and making it impossible to coat the underside of the follicle with soap. "You would not roll your lawn before mowing it," points out Terry Ellis, general manager of the

royal warrant holders, Truefitt & Hill, "so why would you expect to do it to your beard?" The consensus is that an old-fashioned brush, preferably badger hair, and a creamy soap are essential.

Soap should be applied with vigorous circular movements, agitating the hairs to stand to attention. It is also important not to apply too

moisturiser will rehydrate the skin, making subsequent shaves easier.

6. It is debatable whether one should apply alcohol-based colognes directly to the face. Geo F. Trumper disapproves, and suggests that one applies it at the base of the neck, behind the ears or on one's body. The others have it that if it feels comfortable, then it will do no harm.

Shaving at home can never replace the experience of visiting a salon. "At home it is part of the process of getting ready," points out Ellis. "While here, it is an occasion in itself and not a preparation for something else."

The unhurried atmosphere of the barber provides an escape for those who lead stressful lives. Many customers fall asleep under the massaging hands of the experienced barber. Hot towels between each stage of the process relax, freshen and revitalise even the most careworn face.

A single visit can re-educate the novice, ensuring a dramatic improvement in his shaving technique, and providing a valuable inheritance for generations to come.

You may not be able to teach an old dog new tricks but it is vital to pass on the old ones to the new.

Many gentlemen kept their shaving mugs at exclusive salons

A good rule of thumb is to ask yourself: Do I resemble a certain Yuletide celebrity? If the answer is yes, you're using way too much. Less than half will suffice.

3. The razor should now glide smoothly across the face and cut the hair cleanly. Shave downwards first, always moving with the grain of the hair. "Each man's face is as individual as a fingerprint," explains Trumper's Matthews. "It is

■ Geo F. Trumper, Barbers & Perfumers since 1875, 9 Curzon Street, London W1Y 7FL, 0171-499 1850; 20 Jermyn Street, London SW1Y 6HP, 0171-734 6553; Simpson Piccadilly 0171-734 2002 ext 342. Shave with hot towels £12.50; one hour's tuition £35

■ Truefitt & Hill, Gentlemen's Grooming at court Hairdressers, Established 1805, 71 St James's Street, London SW1A 1FF, 0171-493 2901. Shaving with hot towels £18.50; beard cut and trim £14.50

■ Taylor of Old Bond Street, established during the reign of Queen Victoria 1854, 74 Jermyn Street, London SW1Y 6HP, 0171-830 3544/830 5321. Wet shave with hot towels, massage and cleansing £19.95; full facial, hot towel shave and massage £25

■ The Barber Shop at Harrods, Knightsbridge, London SW1X 7LJ, 0171-686 1904. Wet shave with hot towels £17; beard trim £3

■ Austin Reed Barber Shop, Established 1930, 103-113 Regent Street, London W1A 2AJ, 0171-492 2983. Shave with hot towels £10

Get Shirty! How films influence the collar

Graham Marsh rounds up some pointers



■ SPREAD COLLAR: attributed to the Duke of Kent, the spread collar looks good with a broad Windsor knot or the more regular four-in-hand tie knot. This collar style has long been favoured by Jermyn Street custom shirtmakers

If you are an habitual wearer of collar-less shirts, then clearly styles of collar are a matter of complete indifference to you. If, on the other hand, you prefer your shirts to come with collars, confusion may sometimes set in when shopping for a new shirt. However, there do exist tried and tested guidelines.

There are seven basic styles, all of which continue to survive the vagaries of fashion.

Many famous men have influenced the fashion in shirt collars over the years, probably none more so than that urbane, silver-tongued charmer, Cary Grant.

He knew that during those inevitable close-ups, the shirt collar combined with a stylish necktie and the lapels of a hand-stitched, double-breasted suit, created a frame for his face and directed attention upward.

When it comes to male

clothing and male imagery, movies have been highly influential. From Sean Connery's James Bond, resplendent in custom-made Savile Row suits, cutaway collared shirts and silk ties, to the off-the-pag straight-point white shirts and narrow black ties of Quentin Tarantino's gang members in *Reservoir Dogs*, the cinematic references are there to be recognised by the cognoscenti.

Even John F. Kennedy's

image makers lifted elements of Marcello Mastroianni's cool Milanese style and grafted it on to the President's all-American look.

Michael Caine once remarked: "What I do, what I wear, how I behave, how I make love - it's all been influenced by the movies." A sentiment with which many a late 20th century man could no doubt identify.

Here is the low-down on collar lore.



■ ROUNDED (CLUB) COLLAR: originally a mainstay of Eton schoolboys. Can be worn plain or with a pin. Another collar style which found favour with 1960s rock bands and their fans. Now difficult to find this style of collar but word on Jermyn Street is that it is due for a comeback



■ CUTAWAY COLLAR (WINDSOR): in order to accommodate the larger knotted necktie to which he was partial, the Duke of Windsor made this collar style his own in the 1930s. Because of its formality this collar looks inappropriate with more casual clothes, such as sports jackets



■ TAB COLLAR: yet another innovation of the Duke of Windsor. This collar holds the tie in place with tabs attached to the collar and fastened under the tie knot. Popular in the mid-1960s as a symbol of disaffected rock-cool and worn by the likes of Bob Dylan, The Rolling Stones, etc. In America, the tab, along with the button-down, has always been considered the epitome of Ivy League style - just add a patch and flap-pocketed navy blazer



■ STRAIGHT-POINT COLLAR: the basic staple of any man's wardrobe. The safest, and therefore the most versatile collar. Robert De Niro as 'Johnny Boy' in the movie *Mean Streets* wore a shirt with a collar which was virtually parallel with the tie. Ideally, the collar points should be between 2 1/2 and 2 3/4 inches long to balance the classic jacket lapel



■ THE BUTTON-DOWN COLLAR: It has come to symbolise the American spirit but was originally English. Turn of the century polo players were seen by John Brooks of Brooks Brothers to fasten their collars with buttons to keep them from snapping in their faces. Brooks, no novice in such matters, took the idea and turned it into standard-issue Ivy League

Drawings by Graham Marsh

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FASHION / HOW TO SPEND IT

To add to the gaiety of life

Choose your mood and buy a hat to match, says Lucia van der Post

Nobody, of course, needs a fine hat. Those who spend their Augusts in Tuscan villas or their winters in Antigua need a fine straw, and lifeboat men need sou'westers but nobody needs a big bubble of flower-decked straw or a wild concoction of tulle and roses.

No, the hats we're talking about today are there strictly to add to the gaiety of the nation. These are hats to make women look more beautiful, seductive/imposing/mysterious/demure - you make your choice and you find the hat to match. These are hats for Ascot, for mothers of the bride, for wedding guests, for garden parties and the truly important romantic tryst.

This is the perfect season for hats. Clothes are so pared-down and so restrained that the hat becomes a formidable weapon in the armoury of those wishing to look a little more beguiling than the current silhouette allows.

Like the scarf, it is a useful way of wearing one of this season's strong colours without having to wear it head to toe - useful for those who do not wish to look like a walking grapefruit or tangerine.

If you choose a hat in one of this season's strong colours, leave it fairly unadorned - colour and shape should provide all the drama you need.

The modish names of the moment are Philip Treacy and Stephen Jones and it is easy to see why - both have a happy knack of making hats that look original without being eccentric, that flatter subtly and yet retain their chic. Forget the catwalk extravaganzas - go instead to Philip Treacy's workshop at 69 Elizabeth Street and try them on, or see Stephen Jones chapeaux at his own shop at 36 Great Queen Street, London WC2, or at department stores, including Harrods, Fenwick, Liberty and Harvey Nichols. The prices may knock you back but once seen you will understand the difference between a mass-produced straw and a work of millinery art.

If you like the Treacy style but recoil at the £500 price tag, it is worth knowing that he does a diffusion line for Debenhams - where prices are

almost all well under £100. Stephen Jones also has a less expensive line under the Miss Jones label; prices range from £40 to £200. (The couture collection goes from £200 to £550.)

Good department stores these days have splendid selections. Remember that the best hats often only come to life when they are on the head so keep an open mind and don't dismiss hats that look boring at first glance.

This year, for those who do not want to recreate the whole Jackie O look and wear a little pill-box, hats are dramatic. Oversized hats with either a wide brim or a large crown create a lot of impact.

If you are not tall enough to carry them off, there are lots of smaller hats around - such as Prudence Millinery's cute little straw trilbys (to order from Vivienne Westwood's shop at 6 Davies Street, London W1) or the simple raffia hats by Kaminski at Egg, Kinnerton Street, London SW1, at between £65 and £90, or panamas between £30 and £150.

Details should be kept simple - one wonderful huge feather, a single large rose or a strict row of very simple roses. If you cannot afford to pay a lot it is probably best to buy the finest straw you can afford in a simple but flattering shape. Cheap trimmings give the game away.

For truly understated chic, the sort it takes a lot of confidence to wear, I think it is hard to beat Patricia Underwood's exquisitely refined straws and fabric hats. Stocked by Browns of South Molton Street and Georgia von Etsdorf, 149 Sloane Street, London SW1, they range in price from £220 to £500.

Other names to remember - Gabriela Ligerza, 251 Brompton Road, London SW3, uses fabric in delicious and sophisticated ways. Herbert Johnson, 30 New Bond Street, London W1, has had a big success with its women's range and can do almost any colour or fabric to order. Bailey Tomlin (stocked by Harrods. Harvey Nichols and Liberty) does wonderfully romantic flowered hats, and Rachel Skinner (to order 0171-613 3034) has lots of wacky new ideas.



■ Above: White wide brim fine woven straw with feather, £250, from Herbert Johnson, 30 New Bond Street, London W1. Tel: 0171-408 1174. White cotton piqué coat, £1,250, worn over dress, £850, both from Isabel Kristensen, 33 Beauchamp Place, London SW3. Tel: 0171-589 1798

■ Far left: Black, pirate-shape, straw, grosgrain and velvet rose, £215, by Bailey Tomlin, Fortnum & Mason, 181 Piccadilly, London W1. Cream light wool jacket, £250, from Vivienne Westwood, 6 Davies Street, London W1. Tel: 0171-629 3757. Pearl choker from Rima Arias, 42 South Molton Street, London W1. Tel: 0171-483 0880

■ Left: Lime wide brim fine woven straw by Philip Treacy, to order from 69 Elizabeth Street, London SW1. Tel: 0171-259 9005. Lime piqué suit by Georges Rech, £265, from Fortnum & Mason, Piccadilly, London SW1 and Harrods of Knightsbridge, London SW1. Tel: 0171-730 1234; Georges Rech Boutique, 181-2 Sloane Street, London SW1. Tel: 0171-235 3343

Photographs: J.P. Debut Styling: Desirée Lederer Hair and make-up: Sara Boak



Pale pink chiffon with, Rose Cory, £270, worn with pale pink dress by Valentino, £410, and heart-shaped diamond earrings by Maximal Art. All from Fortnum & Mason, Piccadilly, London SW1. Tel: 0171-734 8040



Pale blue crin with roses, £150, Gabriela Ligerza, 251 Brompton Road, London SW3, tel 0171-225 1817; and from Fortnum & Mason, 181 Piccadilly, London W1. Pale blue lace dress to order from Catherine Walker, 65 Sydney Street, London SW3, tel 0171-352 4826.

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PROPERTY

Labour and the 'feel-good' homes factor

Anne Spackman quizzes Nick Raynsford, opposition housing spokesman, about property politics

According to some leading estate agency firms, significant numbers of wealthy people are preparing to pack their bags and leave Britain before a Labour government can purloin the contents.

This is typical of the statements they have been issuing: "The recurring trend at this time in the political calendar," says Patrick Dring, of Knight Frank, "is that we suddenly seem to receive a lot more inquiries for properties in the Channel Islands and other low tax areas such as Monaco. Many people believe that an incoming Labour administration may raise taxes on the wealthy and they want to move before their money is taxed any further."

His colleague, Tony Morris-Eyton, an agricultural partner at Knight Frank, added to that sentiment in a recent issue of *Country Life* magazine: "Labour's beliefs are socialist," he declared, "and a tax on wealth and property ownership is part of their ethos. People have a year, possibly 18 months, to rearrange their affairs and it would be sensible to do so now."

New Labour may have been wooing them in the City but it has clearly failed to make its mark in Mayfair.

The essential message from a number of operators at the top of the market is that home owners of all kinds will be under threat from an incoming Labour government. They believe the ordinary owner occupier will suffer as a result of increased taxes on income and property; they believe the overseas investor will lose the current exemption from capital gains tax on his or her property investment and they believe the world's busi-

ness leaders, whose assets are beyond the control of individual governments, will leave the country if they are forced to start paying tax in Britain on their worldwide income. In short, the London property market will take a hit.

These anti-Labour sentiments are very much for public consumption. Privately, however, many estate agents admit to a different view. They point out that, historically, property has performed rather better under Labour than under the Conservatives. They

Labour is determined to push developers away from the green belt

feel a bit of inflation would be rather welcome. It would wipe out negative equity, fuel the feel-good factor and, probably, boost their business.

So where does the truth lie in all this? How will the politics of property be played out under a Labour government?

The man with the greatest influence on the answers to those questions is Nick Raynsford, the Labour Party's housing spokesman. As the former head of Shelter, the charity which campaigns for the homeless, he might be expected to justify the worst fears of rich property owners. In reality, years of meetings and speeches have made him a more welcome and familiar face to corporate lenders and landlords than any of his Conservative counterparts. Not everyone in the property business agrees with his views, but they

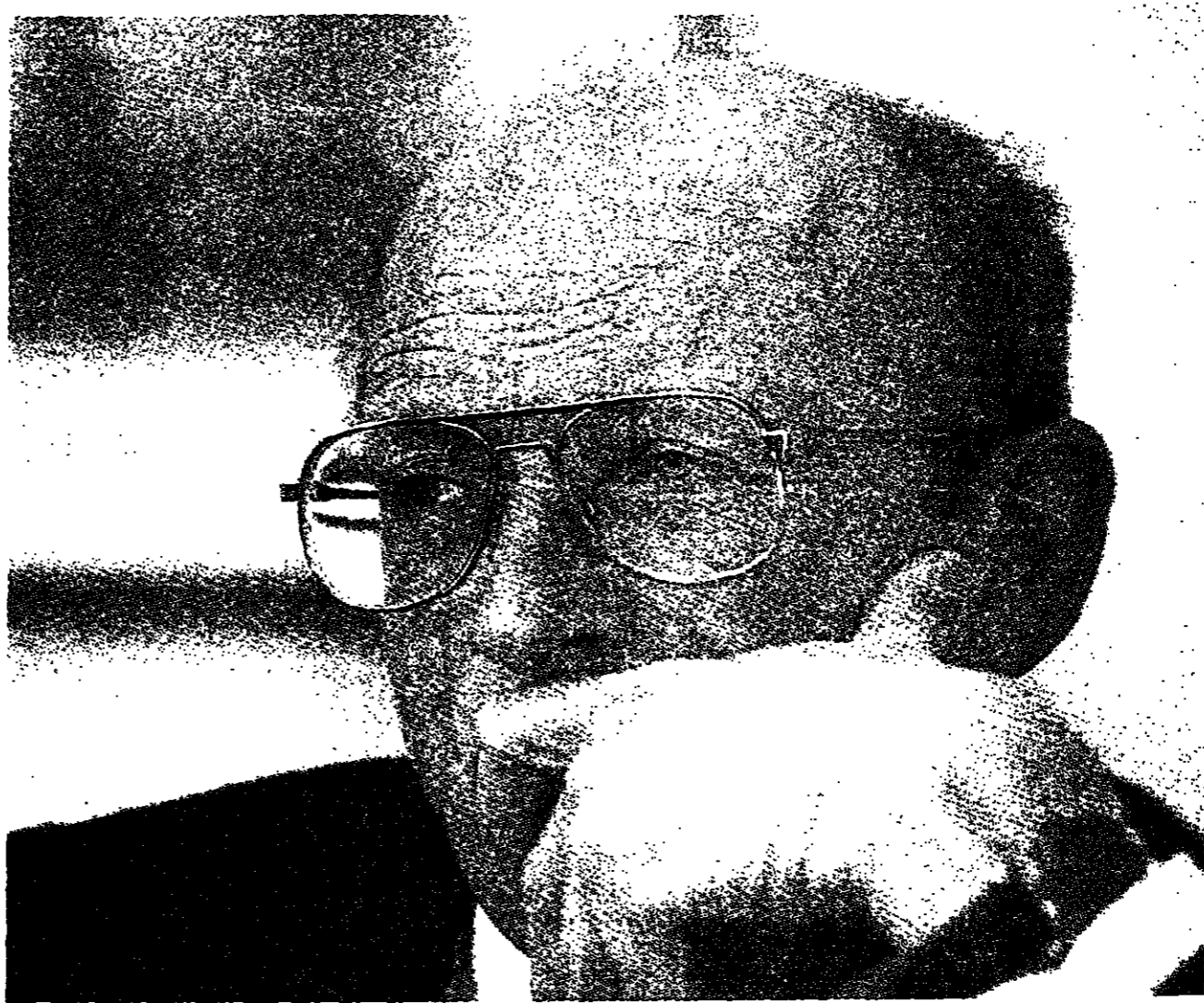
respect what he has to say. He believes estate agents such as Knight Frank are out of touch, both with the views of owner occupiers on the doorstep and of business investors. He says they still see Labour as the party it was 20 years ago and the Conservatives as they were in the Thatcher boom days.

He says the Conservatives have gone from being the party of Right To Buy to the party of negative equity and repossession. "Voters blame the government for the fall in the value of their house," he says. "They were encouraged into owner occupation, then when things went wrong, the government turned its back on them. They feel very resentful."

Yolande Barnes, of Savills Research, thinks Labour has every chance of occupying this traditional Conservative territory. Reductions in Mortgage Interest Relief at Source (MIRAS) and in Income Support for unemployed home owners have added to the voters' disaffection. "Labour now sees itself on the side of the small home owner," she says.

Included in that category are many owners of leasehold flats. In the report stage of the Housing Bill earlier this month the government withdrew from leaseholders the right to manage their blocks. This drew a stinging response from Carla, the group campaigning on behalf of 15,000 leaseholders, which urged its members to vote Labour at the next general election.

But what about the big players? The London market during the early 1990s was underpinned by mainly overseas investors, who bought and rented flats. Will they be penalised as investors by a change in the tax regime? Will they be penalised as landlords by



Raynsford: "Those who think they should take their money out of Britain are misguided and unpatriotic"

changes in the private rented sector?

It seems the answer is yes and no. Labour politicians are forbidden from making concrete pronouncements on taxes, but Nick Raynsford did say this: "There is a sense of outrage that a very small number of people can protect their wealth from the tax system. But I see no evidence that people are thinking of pulling out."

"Current operators have no fears and no illusions about Labour. I have just been giving some seminars for French and Japanese bankers about investing in social housing in this country. They take a far more mature, rounded view. They are interested in the London economy. They want London to remain a vibrant city. If it is, they will invest in it. Those who think they should take their money out of Britain are

misguided and unpatriotic."

Judging from the top of the housing market there is no evidence that people are running for cover - yet. On the contrary, prices in central London are rising again and competition for the best country houses is increasing. (To find out how investors in Hong Kong feel about Labour, read these pages next week.)

As landlords, overseas investors will be relieved to hear that Labour has no plans for reinstating tenants' rights or influencing rents in their sector of the market. Raynsford thinks the role of the private rented sector is to provide short-term accommodation for people who can afford market rents. He is talking about exactly the young workers who during the past five years have been filling up overseas investors' flats.

He does not see it - as the Conservatives do - as a substitute for social housing. He thinks people on low incomes with long-term housing needs are far better served by local authorities or housing associations. "If you remove the two elements of rent control and security of tenure you take the conflict out of the private rented sector," says Raynsford. Although keen to boost that sector he is doubtful about the government's latest investment vehicle, Housing Investment Trusts (HITs). "We wish them well, but fear for their effectiveness," Raynsford says.

But what about boosting the rest of the property market? Raynsford says Labour regards recovery in the housing market as absolutely fundamental. How will the party make it happen? He, in common with Yolande Barnes, sees the prob-

lem as one of confidence not of price, so Labour has no intention of using short-term mechanisms, such as reducing stamp duty, to cut the costs of home ownership.

On the subject of mortgage tax relief - previously a Labour target - he says the party will pledge to keep it. He is highly critical of the government for cutting MIRAS at the depths of the recession although his emphasis is on bad timing rather than bad policy. (The pledge does not include returning it to its previous level.)

When it comes to new ideas, Labour's focus is fixed far more on preventing home owners from getting into trouble than on ways of stimulating activity. At the heart of its policy is a belief in flexible tenure. It would prefer, for example, to see home owners in arrears

remain in their homes and become tenants of their mortgage lender than to see their homes repossessed. That idea should throw up plenty of objections from the banks and building societies.

"The building industry is also likely to have its worries. Though builders may welcome Labour's commitment to a revival in council house building, they will be none too happy with some of the party's attitudes towards the private sector. Labour is totally opposed to the trend towards "private" housing developments, in which the roads are closed to the general public and security is a top priority. They see it as a form of housing apartheid. "To conclude that tenants necessarily bring problems and a fall in house prices is socially unacceptable and misguided," says Raynsford.

But housebuyers are snapping up homes on these developments, as the builders will be quick to point out. They are also willing to pay a premium for their exclusiveness, which means a lot in these days of tight margins. Labour's call for mixed developments of rented and owner occupied homes is likely to fall on deaf ears.

Similarly, when it comes to planning, Labour is determined to push developers away from the green belt. What will Nick Raynsford say to the builder who points out that his customers want to live on the edge of a Berkshire village, rather than in a new conurbation in Essex? "I say, 'tough'. I'm not someone who says never let a blade of grass be touched. I'm not a Nimby," he says. "But there are not enough brown field sites to meet demand so we will need some new settlements. We have to look at areas like the East Thames corridor."

One subject which estate agents might more usefully discuss with Labour than the prospect of large-scale emigration, is the matter of the Property Misdescriptions Act. The letters PMA are enough to make every agent smart, so angry are they that breach of the act constitutes a criminal offence. Would Labour keep it in its current form?

Nick Raynsford pauses. He believes it is necessary to have protection against gross mis-selling. He thinks there must be a criminal sanction against fraud. But when it comes to dealing with genuine mistakes? The jury is still out.

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OUTDOORS



Fishing
Hooked
at the
tackle
shop

Recently, I have been grappling with temptation and, as usual, I lost. As a result, I now possess a new fishing rod and a significantly expanded over-draft.

The tempter - entirely innocent - was a friend who owns a tackle shop. Last autumn, after returning from an educational trip to the river Tweed, I asked him to search out a salmon fly rod for me. He came up with an Orvis, brand new, the business, and mine on extremely generous terms.

By the time Christmas and sundry other disasters had drained my exchequer. But Satan was persistent.

"You need it, excellent investment, repay itself many times over," he murmured. "Utter rubbish," objected my conscience. "You already have a perfectly good salmon rod."

Morally, that is the problem. I do have a rod. It is a shabby, mediocre thing but, for the small amount of salmon fishing that comes my way, it serves most of the time.

On the Tweed, however, it did not serve. The Tweed is a big river and, in autumn, you must use a fast-sinking line to get down to the fish.

To drag up such a line from the depths, and get it into the air with enough impetus to propel the big fly a decent distance, you need, first, a competent caster and, second, a rod with real backbone.

In this case, the casting was just about up to the job after some intensive coaching - but the rod was not. I was among friends, so no one scoffed openly. But I could tell that the ghillie viewed my rod with disfavour, and I was sore ashamed.



The memory of this was decisive when I decided to buy the Orvis. Besides which, as I told myself after Satan had worn down my conscience, a fisherman has an obligation to buy a new rod every now and then.

This might surprise anyone visiting the shed in which I keep my rods because even I must admit there are a lot hanging in their bags. Moreover, I cannot even identify many of them.

I wonder, for instance, if that dreadful white thing is still there. I bought it for two pounds and 10 shillings as a pike rod - but there is no pike in UK waters big enough to put a bend in it. By contrast, bend was a permanent feature of the useless cane rod on which I caught my first barbel.

Somewhere under the cobwebs, too, is at least one ancient, three-piece fly rod, so floppy that you would risk hitting yourself in the small of the back if you tried to cast with it. Nearby hangs a Dennis Pye pike rod, designed for the monsters of the Norfolk Broads, although I never went to the Broads and never caught a monster anyway.

Its neighbour is a 15ft tench rod, which I cannot remember ever having used. They, and a crop of other monuments to the folly of youth, are there somewhere.

These days, I have become something of a minimalist in the matter of rods. For river trout, I have a cane rod which was made for me and is aesthetically and practically the best thing of its kind I have ever come across.

For virtually all my coarse fishing, I use a glass fibre Fred J. Taylor roach rod, at least 25 years old and as good as new. For heavy stuff - pike and salmon spinning - I have a sturdy Hardy carp rod.

And now the family has a new member. I rather doubt if I shall ever love it as I do some of the others for it is made of carbon, a marvellous but emotionally chilly material; and, to be honest, it is a bit smart for me. But I bid it welcome.

If it preserves me from any more of those plying glances the ghillie gave me on the Tweed, I shall not regret the painful act of writing the cheque.

Tom Fort

Gardening

The Sloane-Wallys prepare for Chelsea

Robin Lane Fox thinks his favourite family has found a new weapon for gardeners - lion dung

In a normal week, it would be hard to leave the depths of Sussex on Tuesday and head for central London. The young rabbits are playing in hedgerows. The cherry blossom has been held back by the weather and at last, the cold winds are changing direction.

The patron saint of this column, Veronica Sloane-Wally, has been looking with some satisfaction through the Victorian windows of the Old Rectory which her husband, Julian, inherited on her nearly 10 years ago. In the middle distance, her tangle of orange and pink-flowered azaleas from

Exbury is looking even more vivid than those which first inspired her on a visit to the Rothschild family collection. Next Tuesday, however, is not a normal day. Veronica has lost none of her old Sloane cunning in her years of rural exile. She has managed to beg a non-transferable fellows ticket for the private view of Chelsea flower show by agreeing to swap her second pass to the royal enclosure at Ascot with the aunt of a friend who is not even keen on the races.

The Chelsea show is her yearly chance for nostalgia on the pavements and squares which surround her former Chelsea home. She can combine three hours in the main tent with a forgivable lunch-date with her best friend Caroline who tells her that she has been suffering from a truly sensational overdose on men.

Veronica also has an item on her London shopping list which has made her stop and think. Her daughter Victoria now thinks of herself as grown up and certainly away from home. She has left to read anthropology and tourism at the University of Colchester, but she has asked her mother for a particular present on her imminent birthday. Cambridge, she has heard, is about

to publish the *Cambridge Encyclopaedia of Foraging People*. She has asked her mother for a copy, perhaps with the backhanded irony of which semi-adult daughters are especially capable.

Few people know how to forage like a Sloane-Wally on a day out at Chelsea. Veronica believes that she has got the show down to a fine art. She has no intention of wasting time on the expert stands for what she calls "planty people". She is not going to coo over a green-edged *variegata* or wander along the Embankment, looking for the Chinese introductions in the Alpine Garden

Society's outdoor garden which others believe to be one of the stars of the show. She has no time for fussy things like Mr Brackley's Sweet Peas, although her gardening friend Valerie has told her to watch out for a superb new white form and for one named after Madam Speaker from the House of Commons.

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SPORT / MOTORING

Sporting Profile

Azzy, a reserved and dextrous cavalier

Teresa McLean meets Mohammad Azharuddin, India's captain

Mohammad Azharuddin is an elusive man. It is easy to meet him but not to get to the heart of him. When I asked him at the opening match of this season's tour if he could spare me the time for an interview, the Indian captain beamed and said: "I feel beautiful today. After lunch I may feel talkative too."

I have always liked Azzy (as they still call him affectionately in his 1982 home of Derbyshire) for his stylish batting and, after lunch, he had some interesting things to say about the current Indian tour.

He was more reserved about his own cricket. Like his deft shots and sidesteps while playing, his responses kept him out of reach of dangerous questions. In spite of his flamboyant greeting, he has been in the game too long to talk about it carelessly to journalists. Indeed, the subject of the press induced one of his most guarded replies.

When I asked him whether he approved of the sort of criticism English papers gave their players, he said: "I don't mind fair criticism - of a bad shot, for instance. Other criticism is unfair."

Azharuddin was reading copies of press reports when I arrived, but I could not see to which category they belonged and, rather than expand on the point of fairness, he poured himself some more tea. We were in the vast shadow of Arundel Castle. Outside, the Duke of Norfolk's XI were playing India. Inside the club building, members were eating, drinking and making merry while Azharuddin looked weary. He was encased in track suits. All the Indians were wearing several layers of clothes, the weather was cruelly cold and as soon as the Duke had uttered the succinct

post-prandial snippet "I think we should just watch the cricket", the rain began to fall. Indian cricket has always seemed to me to suit hot weather. Its traditional strength is in spin bowling on dry and dusty pitches, although it would be foolish for either players or press to rely too much on this association.

I will never forget the sight of Bishan Bedi and his fellow spinners Bhagwat Chandrasekar and E.A.S. Prasanna taking 197 English wickets on India's first victorious tour of England in 1971, in weather it would be kind to describe as variable. In the early games of the present tour, only Anil Kumble, benefiting from his experience of English conditions with Northamptonshire last year, has looked confident in his spin bowling but at Gloucester and Worcester he did not look threatening to the batsmen.

Azharuddin is keen to develop his new young weapons-in-spin. Venkatapathy Raju and Sunil Joshi, with the watchful help of Kumble. "The early part of the summer, when both we and conditions are fresh, suits us best. Our young spinners will grow on the job."

Will you win? "We'll do our best. We've come here with a positive attitude and we have these keen young talents, slow and spin bowlers."

If Azharuddin can make the most of them, matching protective with adventurous captaincy, he will do himself credit. He has played a decade of Test cricket for India and English crowds had a chance to watch him play county cricket for Derbyshire in 1992 (average 59) and Test cricket on India's last two tours here in 1988 and 1991.

His batting is light-footed and fluent, reminiscent at times of David Gower. His captaincy won the 1992-93 home series for India, after losing the 1990 series in England, the only one he has led in this country so far. In the Lords Test of that tour he helped England by putting them in to bat on a friendly wicket which let them open the game with a winning 653 for 4 declared.

Azharuddin's defiant century was a typically brave effort. His leadership does not have the same kind of physical presence which helped Kapil Dev, with his fine all-round cricket, to command India. He does not give off the same sense that God could only have made him to stride on to the field in command; rather, that God has blessed him with all sorts of artistic gifts.

I asked him whether he finds captaincy a burden or whether he likes it. He helped himself to some more tea. "Pressure brings out the best in me. There is nothing I enjoy more than walking out to bat, knowing that the whole game depends on me."

With this answer the Indian captain avoided committing himself specifically on the subject of captaincy but drew attention to his lovely batting. Sachin Tendulkar, his vice-captain, has been in the public eye here ever since he saved his side with his first Test century, at the age of only 17, at Old Trafford on the 1990 tour.

Azharuddin had no wish to discuss his ambitious deputy's power plans, but made it clear that when the time does come to leave the game "I will get out, fast. It's a long and heavy time in cricket, every day, all year round; it's wearing."

He winced in embarrassment when I asked him how he had started playing. He does not like personal questions. "As a child, in school, like everyone else."

That made it my turn to wince, on behalf of England. He was happier talking about one-day cricket. "It's here to stay. It gives a result and attracts sponsorship. The one-days and the Tests are the peaks of the tour."

What about the county games? He sighed and shrugged, an attitude which is spreading, alas. Neither tourists, counties nor Test teams can afford to let county games against tourists become second-class. I was glad to see the Indian opening bowler, Javagal Srinath, robustly looking forward to the game against Gloucestershire, where last year he got 87 wickets at an average of only 19.

His fast-medium pace is better controlled than that of Paras Mhambrey, who is talented but uncertain, or that of the lively Venkatesh Prasad. None of them is fast. India's strength lies in its batting, including the improbable Sourav Ganguly (who sounds like a bowler designed by a confused child and is in fact both batsman and bowler), backed by batteries of spin: leg-spinners Kumble and Narendra Hirwani and off-spinner Raju and slow left-arm Joshi. Just the kind of attack I like watching.

Although the game at Worcester was declared no more than a practice for both sides, it looked there as if it was the kind of attack Graeme Hick too likes watching, prior to thumping. Azharuddin makes it clear that he would rather lead his team to defeat than play dull cricket, especially away from home. Such values are a feast for the fortunate spectator, but they are intrinsically risky.

I would never expect to hear a Pakistani captain pronounce themselves a better batsman than whether Azzy, this reserved and dextrous cavalier, can use them prosperously for his country.



Motoring / Stuart Marshall

New Fiesta: sheer ebullience

Living with the latest two-pedal Ford New Fiesta and Escort for a couple of weeks proved to me that the great automatic transmission paradox has finally been resolved. Until the continuously variable transmission - of which more in a moment - came along, all automatics were pretty much the same. They had a hydraulic torque converter and self-changing gearbox. The torque converter replaces the clutch and, to a limited extent, increases the engine's pulling power; and a control system makes the gearbox shift up and down according to the road speed and the load on the engine. Given a reasonably big engine, the conventional automatic works so well that most users of executive-class cars now insist on it.

The paradox is that while it is ideal for cars with enough power not really to need it, it may be too heavy, costly and fuel-consuming for small cars. Yet it is the small car that demands lots of gear changing and stands to benefit most from having automatic transmission. Enter the continuously variable transmission, or CVT for short. Since motoring's early days, inventors had a stab at making a cheap gearless, clutchless, easy-to-drive transmission work reliably. The first to succeed was Van Doorne, a Dutchman. His DAF of 30 years ago had an automatic clutch and, instead of a gearbox, a rubber belt running over two pulleys, one on the engine, the other linked to the drive wheels. The diameter of the drive pulley varied. For acceleration, it became bigger,

making the engine spin faster and develop more power. And for cruising, it shrank, allowing engine revs to drop. The driver selected forwards or reverse with a lever, pressed the accelerator and the pulleys and belt did the rest. But rubber belts stretch. In slow-moving traffic, this made the DAF proceed in leaps and bounds. Drivers also found that a car in which engine speed appeared to bear no relation whatever to road speed was a bit off-putting. Many felt the first belt-and-pulleys transmission might have been fine on a garden tractor but was too rough even for a cheap small car. Perfecting the Van Doorne CVT took a long time and a lot of money. The rubber belt was replaced by one made with steel links. Ford - and one or two other makers such as Fiat

and Subaru - now offer it as an optional extra on their small-to-medium sized cars. In the two I have been driving - a New Fiesta 1.25-litre Ghia and Escort LX 1.6-litre - it would be the transmission of my choice. The manual gearbox New Fiesta Ghia 1.25-litre is a gem of a small car with a superbly smooth and energetic engine; CVT simply makes it even better. It fairly jumps away from the traffic lights and accelerates seamlessly up to cruising speed with the engine revs gradually dropping. Press the accelerator pedal harder and the engine instantly spins faster for quick, safe overtaking. On the motorway I thought the two-pedal New Fiesta even more relaxed than the manual gearbox version. Conventional torque converter-based automatic transmission increases

fuel consumption to some extent; by perhaps 5 per cent if the car is used sensitively, more if the driver is heavy-footed. But if there is an economy penalty with CVT, I did not notice it in the New Fiesta. In around 600 miles (970km) of keeping up with the pack on motorways, driving in heavy traffic and making plenty of short trips to the shops, it returned 38mpg (7.24l/100km). The two-pedal Escort's CVT performed just as capably but, as a car, I did not fall for it so heavily - it could not match the New Fiesta's sheer ebullience. CVT instead of a manual gearbox adds around £335 to the price of a New Fiesta 1.25 Ghia or Escort 1.6 LX which are listed at £12,040 and £12,720 respectively. People who do most of their motoring in town and give ease of driving prior-



Ford New Fiesta Ghia with CVT. Two-pedal control for easy driving without affecting fuel economy

ity will consider it money well spent. Chrysler Jeep imports UK launches the American-made two-litre Chrysler Neon four-

door saloon in Britain next month. The prices are predatory, equipment levels are high - and automatic transmission will be a no-cost option.

Key in hand, a Neon 2.0 LE will be £12,150 and a 2.0 LX, complete with anti-lock brakes and air conditioning, only £12,550.

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SPORT



Guineamp's Coridon (left) fights for the ball with Auxerre's Rebarbony last week. Auxerre drew 1-1 to secure their first French championship title

US soccer / Todd Shapera

Optimistic start for a new league

It was all the factors that New York sportscaster Bob Page could muster when reporting on the formation of Major League Soccer, a new professional football league in the US last autumn: "You won't believe they are trying to pawn this boring sport on the American public again!"



Valderama: Colombia's captain

Now, more than a month into the season, the 10-team soccer league is attracting many sceptical paid attendees has averaged 25,285 for the first 25 games, far exceeding organisers' expectations. Nearly 70,000 jammed the Los Angeles Galaxy's home opener; the team had anticipated 28,000. The New York-New Jersey MetroStars recent Saturday night crowd of 38,821 was nearly double the attendance of the New York Yankees baseball team on the same night.

The electric atmosphere inside the MetroStars stadium, with a Samba band behind one goal, national flags from Europe and South America and roaring fans, is rarely so sustained or intoxicating at other US sporting events, even in this basketball and hockey play-off season. Uncommon, too, is the festive mix of nationalities across generations.

group with deep pockets and a three to five-year commitment to the league. They include George Soros, the international investor, John Kluge, the media billionaire, API Inc, a UK sports marketing company and Lamar Hunt, founder of the NASL.

The league refers to the group as investor-operators because rather than owning individual teams, they are partners in the league itself, sharing all teams' expenses and revenues. Their initial \$5m investment also gave them the right to operate a team, which

'Some teams had champagne tastes, but bare bones budgets'

is likely to require an additional \$3m to \$5m outlay before the league is profitable. The plan was designed to avoid the disparities in finances and talent that plagued the NASL. Then, a few big market teams were studied with South American and European stars, such as Pele, George Best, Franz Beckenbauer and Johan Cruyff, leaving smaller market franchises on a different playing field. Ultimately, this crippled the viability of the entire league.

Some teams had champagne tastes, but bare bones budgets, says Farrukh Quraishi, who played in the NASL from 1975-1981 and is now president and general manager of the new Tampa Bay Mutiny. He says that Major League Soccer's measures to cap player salaries at \$1.13m per team, with \$175,000 limits for top players, will help maintain the integrity of the system and a degree of parity on the field.

Stiltiano believes that good players will transcend nationalistic sentiments. The fans want good soccer, he says, nearly beaming.

European soccer

Big little champions

David Owen looks at the success of Auxerre in securing a French double

Tonight, Auxerre entertain Nantes in their little stadium on the banks of the Yonne about 100 miles south-east of Paris. It is a match that will provide the focal point for what the locals expect to be a heck of a party. "Tonight the bells of all the churches in Auxerre will be rung at midnight in the club's honour," says a member of the so-called "army of shadows" - the 600-strong band of volunteers who still do virtually everything at the club, right up to making sandwiches on match days. "And they'll keep traffic out of the town centre where there's going to be a ball."

The result of tonight's match is irrelevant: Auxerre last week secured an unassailable four-point lead over their three closest rivals for the French championship (Paris Saint-Germain, Monaco and Metz) by drawing 1-1 in Brittany against unfashionable Guineamp. A week earlier, they had won the French cup for a second time, beating underdogs Nimes - once one of the best sides in France, but now in the lower divisions - 2-1 in an enthralling contest. Such exploits would have been unthinkable 30 years ago, while the club, which only turned fully profes-

sional in 1980, was still non-league. "I'd have said it was a mad dream", says Jean-Pierre Dubord, a club official and former non-league player, when asked how he would have replied if someone had predicted then that Auxerre would one day win the double. Promotion to the third division did not come until 1970, since when Association de la Jeunesse Auxerroise, to give the club its full name - have made continual, but slow progress. Four years later, they reached division two. In 1980 they won the second division championship. Since, buoyed by a successful youth development policy that has helped compensate for comparatively modest means, the club has finished outside the top 10 only once. Not that this provincial town of 60,000 people is wearing its success on its sleeve. Strolling around its narrow streets, you see the occasional poster advertising tonight's game. But there are no flags. No banners. Nothing, in short, to suggest this is home to the best team in France. The region, one suspects, will continue to be better known for its Chablis than its football for a few years yet. The first time Auxerre impinged on the consciousness of many British fans was in October 1991 when they played Graeme Souness's Liverpool in the sec-

ond round of the Uefa Cup. Having won the first leg 3-0, in a match in which Liverpool's Jamie Redknapp made his debut, Auxerre lost 0-3 at Anfield and went out of the competition. Three-and-a-half years later, Auxerre drew Arsenal in the quarter final of the European Cup Winners' Cup and were unlucky to lose 2-1 on aggregate. This year, an English club again got the better of them when Nottingham Forest knocked them out of the Uefa cup. Almost incredibly in this era, when managers are often expected to produce instant results or face the consequences, Auxerre has been coached for the past 35 years by the same man - the redoubtable Guy Roux, now 57. Auxerre's success in arriving finally at the very top of French football is, above all, the portly Roux's success. It is not for nothing that Le Figaro this week described him as "the spiritual father" - a man who "charms with his aura, sense of humour and anecdotes". The army of shadows is more down-to-earth in its compliments. "If he's quiet, then he's happy," says one, remarking on how rarely Roux hands out compliments. "He's the only coach in Europe who gets involved in everything at his club," says another. "We had a washing machine that broke down earlier in the year and he's the one who decided what sort the new one would be."

Another important figure at the club for the past 20 years has been Gerard Bourgoin, founder of a flourishing local poultry business and friend of Fidel Castro. When he went to France last year, the Cuban leader visited the company's plant at Chailley. Bourgoin, Auxerre's vice-president, takes a particularly close interest in the club's activities in the transfer market. In addition to the youth development programme, Auxerre are known for buying players who are out of sorts and helping them rebuild their reputations before selling them on at a profit. The club's success has come at the same time as the career of Eric Cantona, its most famous former player, has again blossomed. "I discovered Cantona as a 15-year-old in Aix-en-Provence", says Dubord, proudly fetching a snapshot of the Manchester United talisman practising petanque at his family home. The army of shadows' dream is that the two clubs will play against each other in next season's European Champions' League. "That would really be something," says one of them, taking a break from drying dishes in the club bar. "That would really be something."



A large advertisement for Air Canada. The top half features the words "The Layer" in a large, stylized, white font against a dark background. Below this, the Air Canada logo is centered, with the text "AIR CANADA" and "A BREATH OF FRESH AIR" underneath. At the bottom, there is a promotional message: "Live First... and you can collect your Frequent Flyer" followed by "from June 96). Details on Internet: http://www.aircanada.ca".

TRAVEL

Life stripped to its essentials in the desert

Christian Tyler searches his soul in the sands of China

A journey into the desert is a sort of metaphor for middle life. It is the urge to throw off accumulated baggage, get down to essentials, contemplate one's mortality, take a bit of a risk.

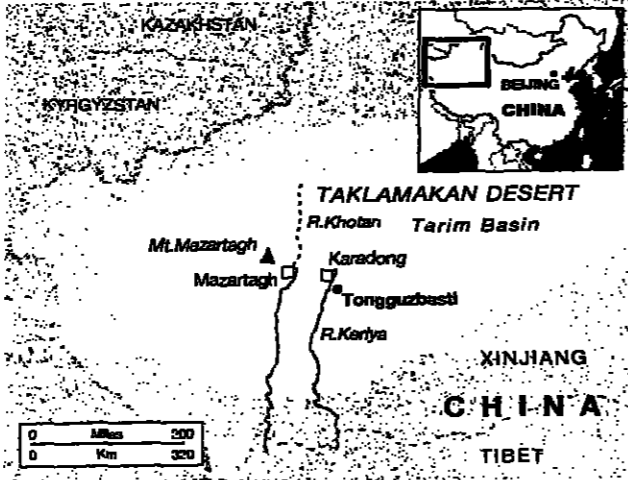
The Taklamakan desert in western China is the perfect laboratory for such an experiment. It is a true wilderness, an ocean of grey-yellow sand sculpted into dunes that billow to the horizon. Intimidating, beautiful and dangerous, it preys on the nerves and enslaves the senses. In this emptiness or so I had innocently imagined - a cluttered urban mind would be set free to think great thoughts of Life and Death.

As for life, there was none. The last wild creature I remember seeing, on the second or third day of an eight-day march with camels, was a grey speckled lizard which ran past on tiptoe like a frozen ballerina to keep its belly off the hot sand. A prudent adaptation: the ground temperature here in summer can rise to 60°C (140°F).

On the fifth night, in the very middle of the petrified sea, I walked away from the camp to stand on the lip of a high dune and watch the violet colours of dusk dwindle over the horizon while the thermometer began its nightly plunge to zero. The only sound was the hiss of sand blowing over the ridge.

There were no biting things to trouble the traveller here: no spitting cobra to slide over one's shoe, no giant cockroach to creep out of one's mattress, no dive-bombing mosquitoes like the whining Strukas of eastern Siberia.

Death is the motif of the desert. From the smallest ripples in the sand at one's feet to the great dune ridges piled up in



frozen tidal waves ahead, every shape was a reminder of the life that no longer flowed here, of sprawling rivers and, long ago, the sea that filled the Tarim Basin. Even the big bell slung from the neck of the leading camel tolled a warning of death, like a buoy in a fog-bound estuary.

The Taklamakan has a fearsome reputation. Winter temperatures drop to minus 50°C. In spring comes the *karaburan*, or black storm, when the whipped-up sand blots out the sky and men and animals can do nothing but huddle to the ground and pray. The first European to describe the terrors of the Taklamakan was Sven Hedin, the Swedish explorer who penetrated the heart of the desert, identified its buried cities, lost two men and nearly lost his own life on his first foray 100 years ago.

According to the Chinese, Taklamakan means "You go in but you don't come out". The story persists because it sounds right. But native Uighurs say the word means "old homeland", or "end place" - a reminder that 2,000 years ago, before the rivers dried up,

before the Turkic-speaking Uighurs arrived from eastern Siberia, before Islam, a Buddhist civilisation flourished there.

Why should anyone wish to visit the last place on earth? For myself, camping and trekking have never appealed. To struggle in the freezing night with zips and Velcro, naked but for a miner's lamp, is not my idea of fun. To hear icicles rattle off the tent at dawn, to find the water bottle frozen solid, to trudge for mile upon mile up and down sand dunes with sore feet (my hiking boots had been stolen in an oasis village), to have sand grating in every seam and orifice - all this should amount to a kind of torture.

Yet the experience proved extraordinarily elevating - perhaps because it was ordained. Many years ago I was gripped by Peter Fleming's account of his journey with Ella Maillart along the southern rim of the Taklamakan and swore to see the place myself. Later, I read Peter Hopkirk's fine account of the archaeological expeditions of Sir Aurel Stein and his rivals in the region. Then early last year, lying paralysed in

bed with an inflamed back, I picked up a brochure and saw the magic name again.

It was the ideal remedy. Then, as always happens, a long series of coincidences clinched the matter. I discovered that the largest part of Stein's manuscript haul (principally the documents from the Dunhuang caves, starting point of the expedition) was stashed in a British Library annex less than a mile from the office, and under the care of a Sinologist friend.

Through her I found a Uighur prepared to teach me and the enthusiastic comrade who had agreed to accompany me the basics of his language. Born on the northwestern edge of the Taklamakan, he turned out to be living a few minutes drive from my house.

Then I met the man whose tour company was organising the trip in his flat in South Kensington. It was the flat where I was born. I learned that a British army team had recently made the first lateral crossing of the Taklamakan, and a review copy of their book (*The Worst Desert on Earth* by Charles Blackmore)

duly landed on my desk.

Finally, days before leaving I ran into Wilfred Thesiger, doyen of desert explorers, having lunch at the Athenaeum. When I told him where I was going and added that he was partly to blame for it, he smiled lugubriously: "In that case you can give me part of the credit - if you come back."

The accessories of life had gone. Life itself had gone. Now the scenery had gone, too.

As the day approached I would wake suddenly in the night to see camels running amok (none did), water tanks leaking (some did), sandstorms raging for days on end (one did, but only for half a day). I imagined terrible attacks of dysentery, or another back collapse, far from the reach of any possible rescue.

First sight of the volunteers

who gathered in a Beijing hotel room was reassuring. Apart from my friend and his teenage son (lately captain of rugby at Eton) there was an unemployed former lorry driver from Telford - a woman - who had read capaciously into Aurel Stein, and a Belgian lady of mysterious origin dressed as if going for a picnic.

From the US came two couples in their 60s, well-equipped, hygiene-conscious Californian trekking experts who proved as tough as the old boots they sported. There was a young zoo-keeper from San Francisco who knew more about Bactrian camels than any Uighur; and a veteran adventurer from Minnesota who had lost several toes climbing K2 and had skied to the South Pole with a former Playboy Bunny.

The Americans came provided with a humorous and patient woman leader. Added to the party later were the Chinese guide who had crossed the desert in Blackmore's expedition, and two Chinese cooks. At Tongguzbasi ("the boat trampled"), a remote settlement where the Keriya River trickles away into the sand, we

recruited 24 camels, five Uighur camel drivers and the headman's eight-year-old son.

It had taken 14 days of a bone-shaking drive across mountain and desert to reach this point. Now we set about stripping ourselves of inessential baggage: extra shirts, spare batteries, glucose sweets, rubber bands. The only luxury I held on to was an underwater camera (nothing else could resist the fine sand), a sketchbook/diary, and a first edition in English of Sven Hedin's *My Life as an Explorer* which has symbolic functions as well as serving as a convenient bedside table.

After a morning of bellowing, cursing and kicking while the Uighurs loaded the camels with baggage, food and water - 1.3 tonnes of it in tin and plastic tanks - the excited party set out and, marching northwards, reached Karadong, one of the lesser-known buried cities of the Taklamakan, on the second afternoon. Here desiccated poles, fallen beams and shards of pottery marked out the houses and temples of a Buddhist community abandoned 1,600 years ago.

As we turned west, heading for the red mountains of Mazaragh on the dried-up Khotan River 70 miles away, the landscape emptied. First to disappear were the *topraks* or desert poplars in their dazzling autumn colours. They were replaced by a grim forest of petrified tree trunks whose arms twisted skywards. These, too, petered out and with them the last clumps of tamarisk.

The accessories of life had gone. Life itself had gone. Now the scenery had gone, too. Nothing remained beyond the pony caravan of humans and animals but a beautiful emptiness of sand, wind, sun and stars. As the horizon expanded, so the mind shrank. From now on, there was nothing left to think about but the next step. There were no metaphysical revelations - but a sublime contentment which I shall never forget.

Taklamakan expedition arranged through Steppes East, specialists in Russian and Asian travel, Castle Eaton, Swindon, Wiltshire, SN6 6JU. Tel: 01285-810267; fax 01285-810693. The writer flew to Beijing with British Airways.



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Swept away by Britten's Britain

Lailan Young explores the coast around Aldeburgh

Next month, as for 15 years past, I shall spend part of my seaside summer holidays in an old brick barn beside a mud flat listening to classical music. The barn is the converted salttings at Snape; the event is the Aldeburgh Festival - 49th in the series inaugurated by Benjamin Britten.

It is worth the annual pilgrimage, for the wonder of Snape Maltings is the unembellished brick walls, a beautiful wooden stage and acoustics reckoned by some musical experts to be as good as those at Carnegie Hall.

This Suffolk coastline at England's trailing edge, raw, remote and still largely empty, is an intensely personal place, a place for solitary thoughts, gloomy imaginings and sudden all-embracing illumination. Almost everyone who visits would like to lay some personal claim to it, but, above all, this is Britten's Britain, few roads, fewer railways and not much to tempt the visitor in search of bright lights and noisy pleasures.

Britten is never far away during Aldeburgh's festival. It is his spirit that moves it, not to mention his money that keeps it running.

The super-sensitive, genius composer lies now in the town and churchyard. His friend Peter Pears, who got all the best tunes, lies at his side. Britten had wanted to be buried in the reed beds at Snape. His admirers, denied permission, lined his grave with reeds instead.

Aldeburgh is a strange place to have planted a festival, stranger still to see it flourish. It is a working fishing town with no harbour or shelter, the boats simply hauled up on to the shingle beach when not at sea. The little town of Crag Path is the most modest of seafront promenades; it does not run along, or lead to a cliff. Instead it lies flush with or below the pebble beach which separates it from the North Sea. In Suffolk, crag does not signify a grand rocky projection: it is the local name for shelly sand.

This is part of the Suffolk Heritage Coast, though the heritage here is one of being flooded at high tides and remorselessly swept away in storms. Six of its predecessors

as Aldeburgh's seafort have already been digested by the waves, yet still Crag Path is lined with sacrificial offerings of flimsy bandbox cottages, toytown watchtowers and fishermen's shanties.

On such a level playing field it is impossible to be unaware of the sea's overpowering might and unreliable moods. The shifting, shimmering menace of Britten's sea interludes in Peter Grimes encapsulates it perfectly.

Aldeburgh still has about it some aspects of The Borough, the setting for George Crabbe's poem which gave Britten his

unfashionable dining-out spot. It is possible to walk from Aldeburgh to Snape, where most of the festival performances are held, but almost everyone prefers to be ferried by some means. Snape cannot ball is host too to round-the-year musical offerings of the Aldeburgh Foundation.

Britten's Britain and the festival's programme of events extend up and down the neighbouring coast. In the south, at Orford, the church, once the setting for the premiere of a Britten cantata, stands twin guard with the keep of the 12th century castle watching over oysterman, smoke houses and antique shops.

North of Aldeburgh looms the disconcerting hulk of Sizewell nuclear power station, yet just beyond that is the serenity of Minster, where the Royal Society for the Protection of Birds keeps watch over reed beds, lagoons, heath and woodland home to marsh harrier, bittern, nightjars and avocets.

North again, overlooking an inlet and dominating the surrounding marshland, is Blythburgh church, an inspiring landmark and favourite festival venue. A squadron of wooden angels fly in single file along the lofty nave, and sometimes great tics, which have found their way into the roof, chirr insistently through the music. At the interval afternoon concertgoers can visit a neighbouring garden for tea, cakes and biscuits and the sideshow of a village fete.

Beyond Blythburgh lies Southwold, a perfect period piece of a seaside town, with greens strewn like emeralds among its villas and terraces, and its white stub of a lighthouse set prominently a couple of streets inland.

Southwold has two distinguished hotels, the stylish Swan and more folksy Capynn Adams, the family-owned brewery to which they belong, also runs a fine wine company and produces Broadside, the pale ale which won the world ales championship in Chicago this spring. Britten's Britain has its comforts too.

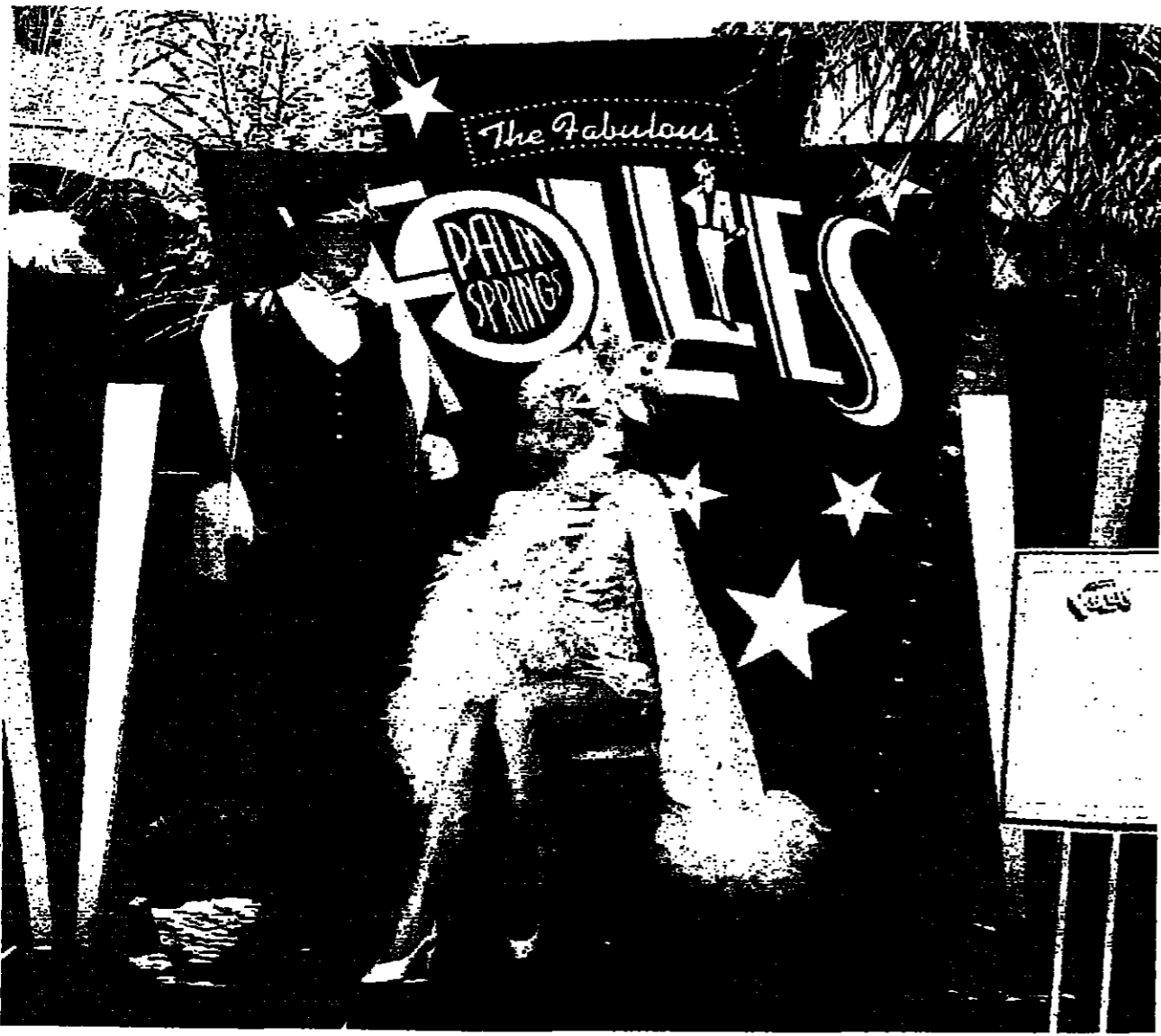
This year's Aldeburgh Festival is from June 7 to 23. Details from Aldeburgh Foundation, High Street, Aldeburgh, Suffolk IP15 5AX. Tel: 01728-433643.



Benjamin Britten: never far away during Aldeburgh's festival

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TRAVEL



Palm Springs, where living out your fantasies is perfectly safe

In an oasis of good behaviour

Richard Donkin tries to spot the old stars in Palm Springs

Leaning back in his Harley Davidson, black leathers and droopy moustache, ready to motor out into the Californian desert, at a glance he might have been mistaken for Dennis Hopper in a scene from *Easy Rider*. His T-shirt said: "Sink your claws into something wild."

But the desert heat can play tricks. In fact he was an ageing German businessman from Cologne, with a paunch to match his wallet. He and his pack of 14 bikers had flown over to Los Angeles to relive their fantasies, hiring their machines at \$1,000 a week each.

They were staying in five-star luxury in downtown Palm Springs where raising hell equates to a foursome on bridge on a Monday night. Born to be wild they might have been, but these latter-day Valkyries rode their Harleys like souped-up zimmer frames with wheels. hell's grannies had come of age.

The German bikers were typical of those who have been infected by the gentility of life in Palm Springs. It was the same in the seedy bar where a skimpily clad barmaid in off-white mini-skirt and cauliflower breasts, chewed gum and took turns on the Karaoke machine. A red-necked pool-player turned to our group and said: "Excuse me but would you mind moving up a few inches so that I can play my shot?"

He could not have been more polite had he said it with flowers. I wondered if I might find a plaque on the wall saying: "The last recorded barroom brawl in Palm Springs took place here in July 1972. This was the final occasion that a pool cue is known to have been used in anger."

Maybe it is a combination of the old people and the heat, but Palm Springs is an oasis of good behaviour and old-fashioned manners in a country not noted for either.

Another factor may be the civilising influence of golf. The town has more than 100 golf courses and 350 days of sunshine a year on which to mow them. There is even a practice putting green at the airport.

Its most famous golfer, most famous resident indeed, must be Bob Hope, the film actor, now 93, who lives above the town in a 23,000 sq ft villa, sleeps in a 4,000 sq ft bedroom and eats in a dining room with seating for 300 people. I know these facts because they were supplied by Bruce Poynter, one of that peculiarly American sub-species, the sort who wear a cowboy hat and a stetson, or *Mr. Mor*, who seem to retain an insatiable capacity for storing useless statistics.

Poynter is a guide with a company called Desert Adventures which takes people out into the desert to look at cacti, old Indian settlements and the graves of long dead gold prospectors. He does not consider himself an authority on the

homes of the stars. But in Palm Springs you have to know where the stars live. The stars demand it. In their carefully disguised search for anonymity they have all contrived to live in the same large housing estate.

Nobody seems to mind the tour buses except the people at Marilyn Monroe's old pad. They got so fed up they slapped restraining orders on the tour companies, preventing them from pointing out the place. Poynter was discreet himself as he told us to ignore the house with the white railings. "Whoa woo," he shouted in a juvenile display of defiance.

We gasped as we admired Randolph Hirst's former residence, now owned by the doctor who gave Betty Ford her

shared so equally. Perhaps 30 per cent live below the poverty line.

The very rich ones are those that owned land on which casinos and hotels have been built. You, like me, may have been reared to believe that native Americans had been run off their happy hunting grounds. In most cases this was indeed what happened, but late last century Palm Springs was dismissed by US government land values as worthless desert so the tribe held on to much of the land.

The government realised its mistake when people started going there for the spa waters and a hotel was built, but it was too late. After a series of Federal Court actions the Cahulla finally got their hands on more than a fifth of the land in Palm Springs.

Now everyone wants to be a Cahulla. To qualify you must be one-eighth Indian and there is talk of watering it down further to one-sixteenth. The chief is not called Running Deer but Richard Milanovich.

None of this deters Poynter whose knowledge of the Indians probably matches and in some cases, exceeds their own. He runs survival courses in the desert. He knows which plants to eat, which make good tea and which get you as high as a kite.

He knows Latin names, Indian names and folk names of plants, insects, lizards and mammals. His party trick is to pick up a rattlesnake in his bare hands. "Hollywood has greatly magnified the danger of rattlesnakes. Bites are rare," he says.

He is one of those people who confesses to having learned little at school but who, upon leaving, have had the capacity of a human sponge to store facts and figures. I tested him frequently. "Is that a humming bird?" I asked.

"Sure is," said Bruce. "The humming bird has a heart rate of 1,250 beats per minute and breathes in and out 250 times a minute. We would need to eat 350 pounds of hamburgers a day if we had the metabolic rate of a humming bird," he said.

I saw people in Palm Springs who appeared to have combined the eating habits of a humming bird with the metabolic rate of a hibernating hamster. Many were youngsters in T-shirts, shorts and spiky hair-cuts who appeared to have stepped straight out of a Gary Larson cartoon.

So this is Palm Springs where the air is clear and most of the stars are in their firmament, where the golf courses breed like jack rabbits and where the Indians sell whiskey to the visitors. See the oasis where Rudolph Valentino filmed *The Sheik* and the cowboy town where Roy Rogers shot a thousand badies. Get on a Harley and live out your fantasies. It's perfectly safe.

Richard Donkin's visit was

Check-in / Roger Bray

Pictures paint a story

Dubrovnik, badly damaged during a long siege by Serb and Montenegrin forces, took another step towards recuperation this week with the resumption of charter flights from Britain.

Refugees have been removed from hotels and the polished marble of the Flaka has been carefully doctored to remove the ugly scars of shellfire. Even painter Ivo Grbic is planning to move back into his side street workshop. After the siege, he set an empty picture frame into its door so the few tourists who dribbled back could see how the house was gutted by Serb gunfire.

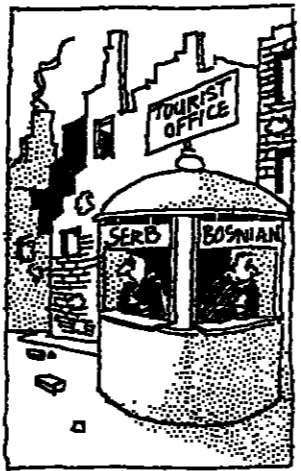
Hydrofolis to the Dalmatian islands this summer, which start on July 1, will offer an improved service and help shave, for example, an hour from the 2½ hours' road and ferry journey to Korcula. At the nearby resort of Cavtat, with its crescent-shaped bay and harbourfront, the huge Hotel Croatia has re-opened.

Do not expect too much of hotel standards, although the Croatians have promised a classification scheme which will deprive hoteliers of stars if they fail to upgrade. Nor should you imagine that anxiety to attract tourists means low prices. While it will cost less out of town, a fairly basic meal at a restaurant will cost around £20.

And bitterness is unlikely to be far below the surface. Swiss government funds have helped speed the restoration of Cilipi, a village where tourists went to watch folk dancing and visit the museum.

In the Church of St Nicholas, a tableau of Mary, Joseph and the child Christ was desecrated during the fighting, the Virgin rendered eyesless, the other figures decapitated. Such images are not erased easily.

* Operated by Phoenix Holidays (Tel: 0345-636468).



chairman of the Association of Independent Tour Operators. Rivals may retort: "He would, wouldn't he." Kirker, after all, runs a city breaks operation.

Evidence suggests, however, that this may not just be wishful thinking. Americans, driven off their sun loungers by fear of sloth, inertia and skin cancer, are already obsessed with activity holidays. In the US, says Kirker, tour operators can no longer use brochure pictures which do not show somebody doing something. Where America leads, Britain may follow.

In the UK, sales of foreign beach packages were down 5 per cent last winter in a rising market. Bookings for the coming summer are in overall decline, but beach business has fallen much faster. Don't imagine this is of no personal consequence as you head off to your Tuscan villa. Remember, all those defectors from sun, sea and sand, will simply go somewhere else.

of the termino.

The Kenya Wildlife Service, however, would like them to look deeper. It wants tour operators to channel more safari customers away from high-profile areas such as the Masai Mara and Tsavo and into a widening firmament of smaller game sanctuaries, run by local communities. One of these, Kitmana, on the edge of Amboseli National Park, has already opened. At least six more are planned.

The KWS was launched six years ago to reverse a serious decline in the animal population. By tackling poachers it has increased the number of elephant and rhino, which had been threatened with extinction. To maintain momentum, it must persuade farmers to keep migration routes open. To achieve their co-operation it is trying to convince farmers that wildlife can earn them money by helping them develop their own sanctuaries - with accommodation for visitors.

And the service is desperate to counter the view that Kenya, according to deputy director Nigel Carpenter, is not "the real Africa".

Cairo or bust

The murder of 17 Greek tourists by gunmen outside a Cairo hotel creates a new dilemma for tourists planning holidays on the Nile - and underlines the difficulties facing the British Foreign Office when it advises them.

In almost any other country, a fundamentalist campaign deliberately aimed at visitors would have wiped out tourism. The glories of Cairo, Luxor and the other ancient sites have a magnetism which is not easily weakened. Britain's biggest tour operator, Thomson Holidays, says there was a handful of cancellations immediately after the recent shootings, but it is preparing to operate its biggest ever programme to Egypt.

The FO points out that nearly 300,000 British tourists went there last year without incident but continues to warn that their security cannot be guaranteed. It stops short of suggesting that tourists not go there but advises they should not travel through the Governate of Minya. And it notes that the Egyptian government attaches "the highest priority to protecting visitors".

No doubt, but security would be tightened still further if, when confronted with metal detection arches at airports and hotels, people were obliged to walk through them.

Sporting event

Independent travellers contemplating a trip to the Atlanta Olympics will still find hotel beds in Chattanooga, Tennessee, there may even be room aboard the Choo Choo, although the converted rail cars which form part of that intriguing Holiday Inn are likely to be heavily booked.

Chattanooga is a two-hour drive from Atlanta, although once there you would probably have to park and ride buses to events. Its city centre, risen, like Baltimore, from the depths of neglect, comes as a wonderful surprise. Its attractions are a superb new £30m freshwater aquarium, which charts the life of the Tennessee River from the Appalachians to the Gulf of Mexico; the 103-year-old Walnut Street Bridge, which crosses that river, and which has been restored and

Kenya services

Elephant and giraffe, lion and rhinoceros - among environmentalists the biggest of big game is known as "charismatic megafauna". Most tourists want to photograph it and get back to their Jilly Cooper book with minimum discomfort. Not for them a fascination with the life-cycle

Beach defectors

The Mediterranean beach holiday is in terminal decline. So argues Christopher Kirker.

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BOOKS

T.S. Eliot: guilty by association?

One of the major figures of 20th century literature has been denounced as an anti-Semite. Now the case for the defence is taken up by the poet Craig Raine

I am not anti-Semitic and never have been," Eliot insisted in 1956. "It is a terrible slander on a man." Eliot himself, then, knew precisely what was at stake. Anti-Semitism is a charge of the utmost gravity. It cannot be brushed aside, or evaded. And now there are, as it were, three prosecuting barristers in the field opposed to Eliot - Anthony Julius, legal representative of the Princess of Wales and author of *T. S. Eliot, Anti-Semitism and Literary Form*, James Fenton, professor of poetry at Oxford, and the poet Tom Paulin.

Both Professor Fenton's lecture last week in Oxford, "Eliot v. Julius", and Tom Paulin's article, headlined "Undesirable", in *The London Review of Books* were substantial re-interpretations of Julius's book though they added their own insights. Professor Christopher Ricks has also examined the charges of anti-Semitism laid against Eliot in *T. S. Eliot and Prejudice* (Faber, 1988). Ricks found that there were some charges to answer but entered a plea of mitigation because Eliot's poem, *Little Gidding*, expressed a general regret for "things ill done and done to others" which once you took for exercise of virtue - lines which Ricks took to be an oblique reference to Eliot's anti-Semitism. Julius, Fenton and Paulin will have none of this. Professor Fenton concluded his lecture by denouncing Eliot as a "scoundrel". Anthony Julius throughout his book maintains a formal position that he admires Eliot's poetry but his use of the evidence is candidly adversarial. His Eliot is not simply an anti-Semite but also a racist and a misogynist.

There should be somebody to point out that this book, although enjoying a cathartic blessing, is an attempt to rouse moral indignation by means of sensationalism.

Needless to say, it does not touch on how we might alleviate the situation of those whose misfortunes it describes, still less on why they, among all the unfortunates of the world, have a first claim on our compassion and help.

Certainly no English man or woman would wish to be a German Jew in Germany today, but not only is our title to the moral dictatorship of the world open to question, there is not the least prospect of our being able to exercise it.

More particularly, it is noticeable that the jacket of the book speaks of the 'extermination' of the Jews in Germany, whereas the title-page refers only to their 'persecution'; and as the title page is to the jacket, so are the contents of the title-page, especially in the chapter devoted to the ill-treatment of Jews in German concentration camps.

Review of "The Yellow Spot" (1988), an account of mistreatment of German Jews

arraign artists on exclusively moral grounds, the desire to annihilate rather than administer complicated justice, the desire to consider only the faults and ignore the virtues and achievements. Eliot knew all about what he called "acidic simplicity" - "the direct and persuasive appeal to intellect and emotions" that is likely to be "altogether more plausible than the truth." My own instinct is for complication.

T.S. ELIOT, ANTI-SEMITISM AND LITERARY FORM by Anthony Julius Cambridge £30, 308 pages

intellectual and moral aberrations of the author," said Eliot of Milton. This is my position on Eliot. It is neither necessary nor desirable that one should endorse his every opinion. His mind-set can seem unsympathetic and sometimes rebarbative. But anti-Semitism is a special case. The Holocaust has made it so. And were the charge proven, the perceived moral blemish would effectively occlude the literary achievement. Time forgives no one for writing well. We have the marginalised genius of Kipling as a sad example before us.

In these circumstances, it is interesting to see what can be said in Eliot's defence. Julius opens his prosecution case by citing a famous instance of anti-Semitism in Eliot's work, from *After Strange Gods*, the 1938 Page-Barbour lectures given by Eliot at the University of Virginia. The crucial passage is this: "the population should be homogeneous; where two or more cultures exist in the same place they are likely either to be fiercely self-conscious or both to become adulterate. What is still more important is unity of religious background; and reasons of race and religion combine to make any large number of free-thinking Jews undesirable. There must be a proper balance between urban and rural, industrial and agricultural development. And a spirit of excessive tolerance is to be deprecated."

"Though these four sentences are in their entirety an unfortunate collocation, for which Eliot has been properly blamed over the years, it is that last sentence which particularly concerns Professor Ricks, who interprets this to mean Eliot is advocating intolerance. "For this allows him to promise a dishonourable pardon to those who act out their intolerance, while not himself being openly inflammatory since his way of putting it maintains nothing." A covert encouragement to intolerance, then, masked by the word "excessive" which Professor Ricks finds circular or vacant.

But suppose for a charitable moment that Eliot meant exactly what he said. Suppose that the word "excessive" was neither circular nor vacant, but carried the meaning it normally does. What readers would be left with then is this - a sentence which advocated a degree of tolerance. Much as, say, both the main parties in this country restrict immigration, while admitting a proportion of cases.

Of course it is simpler to convict Eliot of anti-Semitism - a verdict which appeals to our sense of Schadenfreude, our contemporary instinct for what Milan Kundera has called "crimino-graphy", by which he means the desire to

"And a spirit of excessive tolerance is to be deprecated." If we read this sentence literally, without prejudice, as advocating tolerance on a limited front, it clearly affects the way in which we read the previous troubling sentence - "reasons of race and religion combine to make any large number of free-thinking Jews undesirable." This sentence would now mean that Eliot was quite prepared to accept some numbers of free-thinking Jews.

As it happens, there is another piece of evidence in Eliot's defence which supports my reading of those problematic sentences. It has always been there in the text of *After Strange Gods* but you would not see it if you were expecting to convict Eliot of anti-Semitism. And it is crucial and decisive, in this instance. The Page-Barbour Lec-

'It is dangerous to pronounce, as Anthony Julius often does, from a position of partial comprehension'

tures address the need (as Eliot sees it) to establish or revive "a tradition and a way of life". He defines tradition thus: "all those habitual actions, habits and customs, from the most significant religious rite to our conventional way of greeting a stranger." These things, Eliot maintains, represent the blood kinship of the same people living in the same place. These days, of course, even the mention of "blood kinship" makes us understandably nervous. In Professor Fenton's lecture he drew attention to the quotation marks around the phrase "the same people living in the same place." But neither he nor Paulin nor Ricks nor Julius appear to know where the quotation came from. Or surely they would have mentioned it.

Eliot's definition of a nation comes from the "Cyclops" episode of *Ulysses*. Joyce's great and famously tolerant novel. It is Leopold Bloom's definition of a nation, offered to the bigoted Citizen whose rampant anti-Semitism wishes to expel the Semite interloper from the Irish nation. Leopold Bloom is a free-thinking Jew. And his definition, which is also his defence of his right to live in Ireland, is a definition that the allegedly anti-Semitic Eliot is happy to share. This insight should give us pause, both specifically and generally. Perhaps, after all, we can agree that Eliot's use of the word "excessive" was neither vacuous, nor circular, but strictly accurate. So that this famous locus of Eliot's anti-Semitism in *After Strange Gods* can be seen as nothing of the kind - but rather the equivalent of the Labour Party's immigration policy. If we accept this, I think we should be more inclined to accept also that Eliot meant what he said, when, in correspondence with J.V. Healy, he

maintained that he was arguing the undesirability of "free-thinkers of any race" in large numbers - and that free-thinking Jews are "only a special case". By this, Eliot means that, given the disposition, free-thinking Jews are less likely than free-thinking Christians to retain the vestiges of their religion. This is surely uncontroversial even if arguable. Free-thinking Christians in Europe do live, or did live, in a basically Christian culture.

The general point which arises from the unforeseen intervention of the free-thinking Leopold Bloom is that, just as it is fatal to misunderstand the use of quotation marks in *After Strange Gods*, so, when it comes to a consideration of Eliot's poetry, it is dangerous to pronounce, as Anthony Julius often does, from a position of partial comprehension. These are very difficult poems. Yet Julius is prepared to preface hostile readings of Eliot's poems thus: "While the poem cannot be reduced to a resolvable riddle, its hostility to Jews is instantly recognisable", "whatever its interpretive obscurities".

But Anthony Julius has a lawyer's way with evidence. He knows how to present a damaging case. Take Eliot on Marx. Julius finds Eliot's evocation of Marx as a "Jewish economist" an example of "insulting" anti-Semitism: "Describing Marx as a 'Jewish economist', when he was less than a Jew and more than an economist, is insulting." Marx was a Jew indifferent to Judaism, if not hostile. Eliot's offending sentence reads in full: "I never expected that Hegel, having been inverted by a Jewish economist for his own purposes, should come back again into favour." The "Jewish economist" is odd but it is odd for a reason which is not anti-Semitic. Eliot is relishing an irony. Julius should recognise this because he provides the necessary information 90 pages earlier for a proper appreciation of the irony. Hegel was a noted anti-Semite. For Hegel, "Judaism is... the fulfilment of ugliness".

My general objection to Julius's methodology is his assumption of guilt by association. His thesis is that Eliot placed his great poetic gifts at the service of anti-Semitism - that he invigorates the stale clichés handed about by rabid anti-Semites. Inevitably, this places Eliot in criminal, pathological company and assumes an equation between the articulate Eliot and the crudest of anti-Semitic clichés. The "Jewish economist" is odd but it is odd for a reason which is not anti-Semitic. Eliot is relishing an irony. Julius should recognise this because he provides the necessary information 90 pages earlier for a proper appreciation of the irony. Hegel was a noted anti-Semite. For Hegel, "Judaism is... the fulfilment of ugliness".

My house is a decayed house, And the Jew squats on the window sill, the owner, Spawning in some estaminet of Antwerp.

Blistered in Brussels, patched and peeled in London.

Julius prefaces this quotation prejudicially: "the passage breathes hate, the satirical hissing scorn." We are then told that the speaker, Gerontion, in these lines, is "spitting at the Jew in this opening stanza". Untrue. But Julius arrives at this baseless reading by asserting that "the word these other words intimate is 'spit'". And he cites Shakespeare's *Merchant of Venice* - Antonio's spitting and Shylock's bitter complaint about being spat on. I do not see why. The verb "squat", which does not seem intrinsically anti-Semitic, provokes Julius to cite examples from anti-Semitic discourse in which Jews are forced to squat because they suffer from leprosy, to which Julius adds smallpox, lupus, trachoma, favus, eczema, and scurvy. But they are not examples from Eliot. Their connection with Eliot is nugatory. Read Eliot's lines again. Here is the central weakness of Julius's thesis about Eliot as the gifted invigorator of anti-Semitic clichés. The lines of Eliot quoted are anodyne, torpid, compared to the anthology assembled by Julius from outside the poetry.

Eliot in an early essay, "The Function of Criticism", deplored the kind of interpretive criticism which "is always producing parts of the body from its pockets, and fixing them in place". This is Julius's method - of wholesale importation. Moreover, with "Gerontion", Julius is forced to deny that the poem is a dramatic monologue - which it manifestly is - so that he can attribute the three lines of anti-Semitism to Eliot directly. Julius can be a very inaccurate reader. In "Gerontion", what interests me is the conflation of house, owner and (possibly) tenant. Eliot is surely touching on the idea of lineage and deracination which encompasses all three. When Julius comes to the infamous "Burbank with a Baedeker; Bleistein with a Cigar", he once more, understandably, editorialises Eliot's words. Again, he is anxious to rule out the possibility that the poem is a dramatic monologue, with a loophole



therefore through which the anti-Semitic Eliot could escape. On the other hand, he cannot resist the introduction of theatre because it improves his argument against Eliot. "One imagines a pose being struck", "one imagines the sentence lispily spoken" (my italics). I imagine nothing of the kind. This is a difficult poem to defend. I myself have always thought the crucial lines represented Eliot's anti-Semitism: "The rats are underneath the piles." "The Jew is underneath the lot." I have changed my mind.

On the Rialto once. The rats are underneath the piles. The Jew is underneath the lot. Money in furs. The boatman smiles.

There is anti-Semitism here. But it is not Eliot's. It must be Burbank's. The two crucial, middle lines are framed, fatally for Julius's argument, by two incomplete phrases, "On the Rialto once" and "Money in furs", whose truncation, were we to encounter it in *Ulysses*, would instantly indicate interior monologue. They would indicate interior monologue anywhere, as a matter of fact, except in Eliot where one reads prejudicially. Basically, Burbank's anti-Semitism is a public posture produced by a private derangement - Bleistein's titular cigar, not mentioned in the poem, tells us that he has succeeded with Princess Volpinze where Burbank has sexually failed.

There is, I know, a difficulty still

Full fathom five your Bleistein lies Under the flatfish and the squids. Graves' Disease in a dead Jew's eyes! When the crabs have eat the lids. Lower than the wharf rats dive Though he suffer a sea-change Still expensive rich and strange.

That is lace that was his nose See upon his back his lies (Bohes peep through the ragged toes) With a stare of dull surprise Flood tide and ebb tide Roll him gently side to side See the lips unfold unfold From the teeth, gold in gold Lobsters floury keep close watch Hark now I hear them scratch scratch scratch

"Dirge", which Eliot excluded from "The Waste Land"

awaiting attention in the poem: "A lustreless protrusion eye/Stares from the prolatonic slime/At a perspective of Canaletto./The smoky candle end of time/Declines." Following on the stanza describing Bleistein, these lines naturally attach to him, in a way that is morally unacceptable. Julius envisages Bleistein in an art gallery, failing to appreciate Canaletto (my italics, Julius's assumption). I wish to propose a different reading which takes "the smoky candle end of time" declining as a helpful explanatory gloss on the preceding lines. We are being offered, not a disgusting example of anti-Semitism, but rather a description of a sunset - the pale evening sun sinking into the Venice lagoon and shining on architectural vistas often painted by Canaletto. In other words, we have, not an anti-Semitic poem, but a poem about anti-Semitism.

Julius's book is at best premature. At the moment, for instance, it is forced to rely on the assumption that Eliot wrote the review of *The Yellow Spot* (1938, the first documentary account of mistreatment of German Jews) which appeared unsigned in *The Criterion* quarterly. We simply do not know if Eliot wrote it. It is inadmissible evidence. Nor is Eliot responsible for the piece because he was the editor. Ask any literary editor how responsible they are for the content of reviews commissioned. In any case, the review is not anti-Semitic. It

exhibits cold pride in its unillusioned pragmatism. It assuredly "understates the seriousness of the Blackshirts because they are contemporary examples of anti-Semitic hatred. Julius equivocates; he concedes that here "anti-Semitism of a kind is repudiated expressly". Note the reservation: "of a kind". Ninety pages later, Julius's argument shifts: "the rejection of the Blackshirts' anti-Semitism is a rejection of anti-Christian paganism... It is not a plea for modern Jewry, it is an endorsement of Christianity..."

My second piece of evidence is Eliot's sympathetic account of the persecution of the Jews in the diaspora in "Song for Simeon": "Who shall remember my house, which shall live my children's children/When the time of sorrow is come/They will take to the poet's path and the fox's home, fleeing from the foreign faces and the foreign swords." Julius knows that this presents a difficulty for his thesis and he tries to answer it without properly alerting his reader. The crucial question is this: when is "the time of sorrow"? Julius answers: "not the moment of the dispersion of the Jews but that of the trials of Christ, and of the early Christians." I think the phrase "my children's children" means "posterity", but at the very least it means two generations. Even if taken literally, then, the phrase "my children's children" is hardly synchronous with Christ's trial and crucifixion. But obviously the phrase is employed metaphorically for a posterity persecuted by "foreign swords" and "foreign faces". Pogroms, in fact.

To these particular examples I would like to add a more general plea of mitigation. Milan Kundera, in *Testaments Betrayed*, one of the century's great and wise books, says that man is not in the dark but in a fog. "He sees fifty yards ahead of him, he can clearly make out the features of his interlocutor, can take pleasure in the beauty of the trees that line the path, and can even observe what is happening close by and react. Man proceeds in the fog. But when he looks back to judge the people of the past, he sees no fog on their path... their path looks perfectly clear to him, good proceeding, he sees their mistakes, but not the fog." What a measured and just rebuke to self-righteousness this is. If there prove to be anti-Semitic elements in the record left by Eliot, we should bear this rebuke in mind.

Suppose, however, that when all the evidence is in, posterity convicts Eliot of anti-Semitism. What then? It could be the case. Julius wants to censure, not censor. But my own instinct is to mitigate. If Eliot turns out, in his correspondence, say, to be anti-Semitic it will not be simple. And I adduce two pieces of evidence, here, of Eliot's pro-Semitism. The first is the attack on the Blackshirts in his play *The Rock* - an attack which is specifically centred on their anti-Semitism. Here is the relevant quotation: "BLACKSHIRTS: Your vesture, your posture, your speech and from face/Proclaim your extraction from Jewish race./We have our own prophets, who're ready to speak/For a week and a day and a day and a week./This being the case, we must firmly refuse/To descend to palaver with anthropoid Jews." Obviously, this passage presents no difficulty for my case. But it is

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BOOKS

Disdain for the practice of politics

Nigel Spivey discusses the dated views of an academic, who rightly consigned them to his desk drawer

Michael Oakeshott only died in 1990, but his academic millenium seems prehistoric. Modern professors do not leave manuscripts in desk drawers. They publish whatever they have, even if they have nothing very much to say: otherwise their paymasters get tough.

Oakeshott was of an earlier breed. He was, in fact, one of the last consistent upholders of the idea of a liberal education: so perhaps it is fitting that he never published for the sake of a discretionary rise. But this does not mean he was not busy shaping his thoughts on paper. This present extended essay, edited by Timothy Fuller, is one of a number of manuscripts retrieved from Oakeshott's study which Yale is continuing to issue as posthumous works.

The typescript dates to 1952 at the latest. It seems like the expansive basis for Oakeshott's inaugural lecture as professor of political science at the London School of Economics, where he succeeded

Harold Laski in 1951. As Noel Annan recalls of that inaugural lecture, the audience "listened in horror" as Oakeshott told them "their hopes for a better world were false and their guides wiseacres". Here was a professor apparently full of derision for the very subject he was supposed to profess.

What Oakeshott was expounding then was what he here defines as "the politics of scepticism". This does indeed relate to his own essential disdain for the practice of politics, whose muddy and compromised and fudged compromises, he says, "offend most of our rational and all our artistic susceptibilities". But it also translates into a positive sentiment, which goes like this. If government is a necessary evil, then it should be as limited in its powers as possible. This does

not mean such government should be feeble; rather strong in the basic provision of security and order for its citizens, and otherwise rigorously detached from their business. Oakeshott gathers a tradition of such sceptics. Including Pascal, Hobbes, Locke, Hume, Burke, Faine and Bentham. Not all of these seem natural companions, but more or less cogent cases can be made for their common belief that the aim of politics is the non-imposition of restraints upon an individual's natural liberty.

Against these sceptics are ranged those who believe the opposite: the theorists and practitioners of the "politics of faith", in whose camp we find such diverse figures as Lord Bacon, V.I. Lenin, and R.A. Butler. In Oakeshott's meandering account, the founding father seems

to be the fourth century British monk Pelagius, who was reviled by St Augustine for daring to suggest that Adam's original sin, though unfortunate, was not a crime which contaminated the whole of subsequent humanity - therefore we

THE POLITICS OF FAITH AND THE POLITICS OF SCEPTICISM
by Michael Oakeshott
Yale University Press £20, 150 pages

could seek (as Lenin would put it) to build heaven on earth.

The politics of faith, at its most zealous, is control freakdom gone wild, or sheer Utopianism. At its most understated it is merely the hope that committees, debates and regulations can eventually make

life generally more bearable for those concerned with or by them. Oakeshott saw mediated versions of this sanguine approach as the principal guide for European politics over the last five centuries or so. His polarisation of the faith mentality, and that of the esmy country of scepticism, is argued with characteristic Latinate elegance of style - though the extended cricketering and boating metaphors are tiresome - and equally characteristic lack of annotation or exemplification. But how does it help us to think with these polarities?

As far as Oakeshott himself settles anywhere, it is upon the fudged position of a "trimmer", which is 17th-century Westminster slang for any politician who put pragmatism above ideals, and whose only ideal

of policy was to keep the ship of state on an even keel. This, indeed, is close to what Oakeshott elsewhere defined by "rationalism" in politics. But his own saintly removal from both political opinion and political action makes it difficult to see quite what he achieves by creating this dichotomy between faith and scepticism.

His articulation of the two extremes has not dated well. Notoriously antipathetic towards science, Oakeshott never alludes to the technological instruments available to the modern politicians of faith. One might hardly blame him for missing the microchip; but even the abstracted political theorist must have registered the applications of programmatic scientific "efficiency" in totalitarian ideologies. And with regard to the smug

politics of scepticism, what did he make of its eventual exposition by Margaret Thatcher? True, the Thatcherite vision owed more to F.A. Hayek than to Michael Oakeshott; but her conviction that government should be limited to the "enabling" of individual self-fulfillment seems perfectly aligned with Oakeshott's sceptical view of politics as the art of non-intervention.

And the irony (on which Simon Jenkins is so eloquent) is this: that for all the rhetoric of "limited government" from the Thatcherite camp, the truth is that government is burgeoning. Neither faith nor scepticism explain its healthy bloom. Some overt areas of state interference and planning (such as nationalisation) have been disowned, but only to be supplanted by numerous new modes of meddling or "management". Leviathan is not a creature given to self-denial. Intimations of this truth may have been what persuaded Oakeshott to leave his fruitless thoughts where they probably belong - in a drawer.



"Ready when you are, God": David Lean (centre) and his camera crew brace themselves against hurricane-force winds to film the storm scene in "Ryan's Daughter"

Genius of epic proportions

Nigel Andrews on one film-maker's maddening mix of masterworks, mishaps and may-have-beens

In 1963 David Lean found himself sitting next to Greta Garbo on a transatlantic flight. The most enigmatic of British directors was juxtaposed for eight hours with the most gnomish Hollywood superstar. They held hands during the turbulence, swapped memories of world travel and talked of the horrors of celebrity. Landing in London, they vowed to meet up again but never did.

The entire life of David Lean, as narrated in this jumbo-sized oral history that author Kevin Brownlow modestly calls "a biography", seems like that. Lean's story is a high-altitude mystery of epic proportions. After 740 air-pages we seem to have flown vast distances - from birthplace Croydon (son of Quaker parents) to the River Kwai via terrestrial apotheosis in Venice, Arabia, Ireland and India - while holding nervous hands with genius and talking about both nothing and everything.

At the end our subject vanishes into legend, leaving behind almost literally a Cheeshire cat smile. Brownlow's last posthumous discovery is that Lean was a friend of Leonard Cheshire and a secret and longtime benefactor to his charity homes. Thus we have a shameless six-handkerchief

ending to a chronicle that has insisted on Lean's equally shameful record in abandoned wives, neglected offspring and mistreated movie collaborators.

By means known only to the author, Brownlow persuaded almost everyone to testify and the cast list is staggering. After a year and a half's confidential chats with the Master, ended only by Lean's death in 1992, the book went on to subpoena the ex-spouses and discarded mistresses, most of whom, by a career double-strike, could also speak up as movie colleagues.

Kay Walsh, who partnered Lean both in bed and on the set of *Oliver Twist* (as Nancy), gives a detailed account of dashing courtship followed by crumbling love. Girihend Barbara Cole was with Lean in the temper-tasting desert every day and night on *Lawrence Of Arabia*. And actress and second wife Ann Todd, often known as the English Gerbo, casts a balefully credible light on Lean's priorities as a holiday companion. "He took wonderful films of me, but not because he wanted to photograph me. I would climb mountains only to find later when I saw it that he wanted a little figure to break up a cloud, and I'd sweated up there for three hours."

That is the Lean we know: the man

who would not be hurried from his contemplation of scenic eternities by either Hollywood budgets or conjugal consideration. In the classic joke on movie epics, a camera crew turns to the director after the bridge has been blown or the great sunset has passed to say "Ready when you are, Mr. DeMille (or Mr. Stroheim or indeed Mr. Lean)". Lean, we feel, spent his life turned to his own higher authority: "Ready when you are, God, or Destiny, or Mother Nature."

DAVID LEAN
by Kevin Brownlow
Richard Cohen Books £25, 784 pages

The jury may be out for a while longer on Lean's place in film history. All we confidently know is that he began in Lilliput and ended in Brobdingnag. The radiant miniaturism of *Great Expectations*, *Brief Encounter* and even *Summertime* - where Katharine Hepburn won a brave battle for screen dominance with Lean's besotted backdrops of Venice - gave way after the mid-1950s to the calendar-art gigantism of *Kwai*, *Lawrence*, *Ziuzago* and *Ryan's Daughter*.

Working with Lean was "like being asked to build the Taj Mahal out of

toothpicks," said Robert Mitchum. Certainly *Ryan's Daughter*, whose location trials exasperated not just Mitchum but John Mills (nearly drowned), Trevor Howard (bored senseless) and Sarah Miles (forced to make love to a pathologically inhibited American actor), was a watershed in Lean's career. The hostile reviews were followed by a bizarre confrontation with New York critics who so abused Lean that he ended by saying "You won't be content until you've reduced me to making a film in black and white on 16mm." "We'll give you colour," said Pauline Kael.

It had surely all gone wrong with the film before, though. *Doctor Zhivago*. Where *Lawrence Of Arabia*, the epic before that, married style to subject by using mirage, vastness and the golden enigmas of the Arabian landscape to poetise the story of a visionary desert-warrior, *Ziuzago* took a Russian novel about politics and real people and turned it into a three-hour musical greetings card. All that icky snow. All those daffodils. Then open the card up and all that twinkle-twinkle-Maurice-Jarre orchestration.

Perhaps Lean proved the old theory that great artists are closer to bad art than are good artists. Where talent is judicious, genius is reckless. The

greatest section of this book - and it almost is a great book in its sweeping completeness of testimony - is the account of Lean's lean years.

These were the 16 summers between *Ryan's Daughter* and the modest rehabilitation of *A Passage To India*, when Lean first sulked into retirement, then attempted a grandiose comeback with his two-movie project to film the RMS Bounty story, scripted by his old aide-de-camp Robert Bolt. In these chapters we feel all the agonies and pipedream ecstasies of the overreacher. There Lean stands on the beaches of Bora-Bora, planning his great ratchet on history while the financiers gibber and quibble. *The Bounty* never happened, of course. Nor did his later dream, *Nostromo*, whose sets Lean was told they were dismantling even as he lay on his deathbed.

So we are left with a maddening mix of masterworks, mishaps and may-have-beens. In the end we feel that a Lean who could encompass both the poignant minimalism of *Brief Encounter* and the soaring metaphors of *Lawrence Of Arabia* might still - allowed a share of that infinity that his movie images yearned for - have come to unite both in one truly great film.

From Russia with terror

With the chilling prospect of communist rule just beyond the horizon of Russia's June presidential elections, the arrival of Yuri Dombrovsky's *The Faculty of Useless Knowledge* in its first English translation may seem eerily foreboding.

But it is soon starkly obvious that the ruthless machine of Stalinist repression so brilliantly described in the novel has little in common with the modern communist movement, its membership swollen by second-rate bureaucrats, nationalists and pensioners, all clamouring for their place in the "worker's" paradise.

In spite of Gennady Zhuganov's untimpered admiration for the "Great Leader", all that his party now shares with its brutal predecessor is a love of pompous, hypocritical rhetoric: "Life is better, Comrades, life is more joyous," boomed Stalin while simultaneously butchering his people. Now, of course, they use the past tense.

In any case, Dombrovsky's rich, mercurial narrative is far more concerned with survival against monumental odds than with the fatalism and nostalgia which now rule Russian politics and society. Set in Alma-Ata in Kazakhstan, during that evil summer of 1937, the very height of the Great Terror, the story begins with the arrest of the archaeologist Georgi Zybin on trumped up charges that he conspired to steal a hoard of Scythian gold, deemed by the state as sacred and inviolate "sacrosanct".

At the local NKVD (later to become the KGB) headquarters, Zybin is singled out by the ambitious, self-seeking investigator Neiman as a potential star witness in a Kazakh "Show Trial", planned to rival similar Moscow travesties of uncorroborated justice.

The "useless knowledge" of the title refers both to this devaluation of Soviet law as well as total disregard for the humanist values which Zybin represents: "Only socialist expediency exists in this world," he is told by his investigator between horrific stints in the punishment cells.

All of these events are based on Dombrovsky's own experience. Like Zybin, he was initially arrested in 1937 for his involvement in the sordid case of a student suicide, and fled; he was later held in Alma-Ata at the height of the purges. His novel devastatingly analyses the totalitarian machine - its agents, its ambitious, self-seeking

doomed investigators and of course its prisoners, without whom the other two could not exist."

Written over a period of ten years and first published (in Germany) shortly before Dombrovsky's death in 1978, *The Faculty of Useless Knowledge* combines autobiography and historical account with a gripping, driving narrative and absorbing, perfectly drawn characters.

For once, you can believe the jacket blurb, which compares the author to Pasternak, Solzhenitsyn and Bulgakov. This novel bears the unmistakable cachet of genius.

For readers of Irina Ratushinskaya's verse and admirers of *Grey is the Colour of Hope*, her unflinching account of incarceration in a Russian Labour camp, *The Odeanssians*

THE FACULTY OF USELESS KNOWLEDGE
by Yuri Dombrovsky
Harvill Press £18.99, 554 pages

THE ODESSANS
by Irina Ratushinskaya
Sceptre £16.99, 410 pages

may come as a profound disappointment.

Ratushinskaya's first novel is a curious aberration, a book that would be more at home among the shelves of an airport book shop than sitting alongside the work of an internationally recognised poet.

The leadenly predictable narrative follows three Odessan families through the upheavals in 1905, the first world war, the 1917 October revolution, the civil war, the Stalinist purges and the second world war. One family is Russian; the other Jewish, the third a mixture of Polish and Ukrainian, but beyond these broad, racial delineations there is little characterisation.

The Odeanssians is not without some redeeming moments: Pavel, of the Russian clan, encounters in the camps a prisoner who tries to explain Stalin's appeal: "What's propaganda got to do with it?" the inmate scoffs, "It's simply that people love power."

But on the whole, this is pulpy stuff, using a rich historical backdrop as a prop for melodramatic action. Such an unfortunate result. I presume, arises out of Ratushinskaya's inexperience of the novel form, and is not what she intended.

John O'Mahony

In Florence everyone is an intruder. Since Dante Alighieri walked the late streets during the late 1300s, Florence has belonged to a succession of cultural and military invaders. No less than today's tourists, it has been trampled by troops of pope and emperor, contested by Guelph and Ghibelline, then by "Black" Guelph against "White" (Dante was one), crisscrossed by various Medici, fired by Savonarola's rhetoric. The allegiances of the Florentines often proved as unpredictable as its miraculous flowering at the Renaissance.

Florence was deemed by legend to have been founded by Julius Caesar. Rather than expand the nearby Etruscan city up the hill, Fiesole, the Romans chose to build in the Arno valley. The river provided a strategic military location, and also no doubt enabled them to indulge in their favoured pastime of aquatic technology.

By the year 1000 it was a small walled city of the Holy

Roman Empire, its famous Baptistery already in existence. A republic during the middle ages, Florence's successive rulers included both the son of the King of Spain and the husband of Maria Theresa of Austria. Occupied by French troops as the 18th century ended, it became for a short time Italy's capital during the 19th.

Michael Levey seeks to portray the splendours of this treasure-laden reliquary of a city without claiming to be comprehensive. He limits his discussion to those places accessible to the public - a generous stance, since his position as the former head of London's National Gallery would open all Florentine doors to him. Renouncing any pursuit of original scholarship, Levey used his time to look yet again at Florentine artefacts great and small with his educated eye and deeply informed sensibility. Since he has spent much of his life thinking about Flor-

ence's works of art and their relationships to each other, one of this well-illustrated book's greatest benefits is that it reveals the interplay of architecture, sculpture and painting.

Levey openly champions those works which he says disconcert British and American taste - primarily because of their strong religious connotations. He also seeks to promote

FLORENCE: A PORTRAIT
by Michael Levey
Cape £25, 498 pages

the comparatively neglected art of periods later than the Renaissance which overshadowed them. And while the Renaissance embellished Florence with magnificence, he argues that its structure and character were already well established by the beginning of the 14th century. Yet Levey admits that, visually, Florence

remains an early Renaissance city. Its great artists Brunelleschi, Donatello, Masaccio, Ghiberti could navigate its modern terrain with little difficulty, finding much of what they knew surviving, if only in museums.

Levey takes as his focal point the Baptistery. From there we accompany him on wide-ranging mental and geographical forays. We discover, for example, the small obscure church of San Giorgio alla Costa, whose white and gold interior was transformed by Giovanni Battista Foggini at the beginning of the 18th century. A champagne blonde of small churches, it is not often singled out. Yet Levey finds its celestial effect "enchanting and astonishing" and uses it to support his claim that artistic impulse in Florence had by no means been exhausted at the end of the Renaissance.

It is tempting to go on pulling choice plums out from this richly evocative study and one admires the author for the sense of intimacy he brings to his task.

Ann Geneva

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ARTS

Painter of principle

But forget the polemics and enjoy the wit in the work of Italian artist Renato Guttuso, advises William Packer

Renato Guttuso died in January 1987 at the age of 75. Sicilian by birth, he spent time in Milan as a young man, then moved to Rome in 1937, where he lived and worked for the rest of his life. He was a national rather than a regional figure, and his celebrity was international, the most widely-acclaimed and controversial Italian painter of his generation.

But times and fashions change, and while it is not everyone whose death elicits a personal message of condolence from a head of state, and the communist Russian head of state at that, he was by then as a painter not quite so famous as he once had been. In England he has hardly been seen in nearly 20 years, where his reputation, such as it is, is bedevilled by old disputes. There are those who would argue still that his principles were at least as important as his art, supplying indeed the qualitative and justificatory core of it.

For Guttuso was a communist, and the Italian pattern, anti-fascist sympathiser as a young man before the war, and then a committed party member and active partisan. From the late 1930s to the '50s, his work was often openly polemical and symbolic, reworking biblical themes as secular parables. In the interval between the Spanish and Hitler's war, a "Flood" becomes "The Flight from Etna", as the world darkens and terror looms. Goya's "Disasters of War" are summoned in aid, with an "Execution in the Country", for the death of Lorca, and a "Mocking of Christ". Picasso's "Guernica" is repeatedly quoted. With the war itself come massacres, shootings, a tangle of dead horses and a large, ambitious "Crucifixion".

Even so, in all his painting the message tends to be more broadly acceptable in its generalised humanity. There are certainly no red flags and toiling workers. It was really in his writings after the war, as critic and polemicist, that Guttuso was politically most evident. He was a most vigorous apologist for figurative art, in the great debate of the 1950s about abstraction, fiercely arguing the cause of social realism and responsibility.

The Tate's huge canvas of "The Discussion" (1960) catches the mood precisely, with its earnest faces and overflowing ashtrays, crumpled suits and crumpled papers, and its unbridgeable gulf between the two sides.

But it is also rather funny, a gently self-mocking image of its time, and it offers a salutary reminder of Guttuso's true character and quality as a painter, evident throughout, if we only care to notice, and nothing to do with politics. He is always vigorous in the handling, and as witty in the paint itself as in any of the imagery - one deft stroke of the neck of a bottle, one soft spidery line for the rising wisp of smoke from a cigarette. The run of portraits of smokers, self-portraits surely, is a real, if wry, treat.

Through the post-war period, Guttuso was shown regularly in London, and his influence upon British painting was manifest, not just for what he represented of European figurative art, but for his political and social commitment against laterday art for art's sake, but simply for the painterly example he offered, and the material he made available. He showed, on the one hand, how the figure-composition could be sustained in a secular age. On the other, it would be very hard now to consider the English Kitchen Sink painters of the later 1950s - Bratby with his breakfast table-tops, Jack Smith with his Mother washing her baby at the sink, Ed Middleditch with his chairs and bedsprings, Derrick Greaves with his rooftops - without reference to Guttuso.

In this well-chosen and fascinating retrospective, the still-lives, and one or two of the portraits - notably his life-long companion, Mimise, in her red hat (1940) - are a revelation after so long an interval. We follow Guttuso from his beginnings in later Italian metaphysical painting and the surrealism of the 1930s, Sironi, Morandi, late de Chirico and, above all, Picasso, through the period of social commitment to the more various and disengaged expressionism of his later years - trees, roofs, bottles.



Portrait of Mimise in a Red Hat, 1940 by Renato Guttuso

It is clearly an uneven achievement, not always fully resolved, often all-drawn. Yet through it all there runs a real sense of celebration and vigorous engagement with the art of painting, and an unexpected openness and gentility of interest and spirit. The huge painting of "La Vaccaria" (1974), the Palermo market dense with meat and fish, cheese and eggs, fruit and veg,

with a girl shimmying through the narrow gap, stands for it all. Guttuso has been out of favour for too long, not because he was the greatest artist of his time, which he was not, but because he was a kind of modern painter now figuratively incorrect. For all his intellectualism and polemical engagement, he was at heart an artist of instinct and sensuality, driven not by theories

but by what he could feel and see. He was, as Fabio, his adopted son, said to me the other day, "an artist who was always looking out of the window at the world."

Renato Guttuso: Whitechapel Art Gallery, Whitechapel High Street E1, until July 7, then on to Ferrarar sponsored by Banca di Roma, with Alitalia the official carrier.

Television/Christopher Dunkley A vintage conundrum

There is a marked tendency for BBC's serial drama early on Sunday evening to look like a *concours d'élégance* run by those people who spend their lives turning up replacement sump covers for Jowett Javelins on ancient lathes in their garden sheds. You get a few minutes of black and white newswear with a Harry Enfield commentary full of puns about the British Empire, then a quick scene with women in Marcel waves or headscarves and men in flat caps and Fair Isle sweaters busting about muttering "Rhubarb, rhubarb", and then the camera pulls back for the real thing. Two vintage commercial vehicles, two vintage cars, a vintage motorcycle, a milk float, and two vintage taxi cabs with open luggage wells and hand-operated "For Hire" flags, all manoeuvre madly to stay in front of the camera without actually driving into one another.

You can tell from the costumes and the endless scenes taken to exclude television aerials from the skyline that the producers believe they are achieving authentic period realism. Why, then, do they employ these fleets of vehicles which are delivered by their dotting owners looking as though they have come straight off the showroom floor? Not only are the headlamps not held on with rusty wire, the exhausts not tied up with sisal - there is not a speck of dust, not a spot of mud on them anywhere. The conundrum crops up every five minutes or so throughout *No Bananas*, a 10-part serial set in the second world war.

During the first couple of episodes it seemed that matters might be saved by a script (written by Gimnie Hole) packed unusually tight with plot, and an attitude towards the war years which was refreshingly unselfish compared to so many previous dramas set in this period. The upstairs/downstairs contrast, which British television with its fixation on class finds so very attractive, is achieved here by having Harry, varsity educated son of the working-class Slaters, marry Mary, rebellious daughter of the oh-so-middle class Hamiltons. It rapidly becomes clear that both families have little embarrassment that they would rather keep under wraps. Harry's eldest brother, Tom, is a habitual criminal and Mary's Uncle Edward is a Blackshirt who has hobbobbed with Adolf Hitler himself.

By the end of Episode 2 the narrative strands had multiplied nicely. Mary's pregnancy raised the question of whether Harry was simply doing the decent thing in marrying her but deserting his childhood sweetheart, Kaye, the girl next door. Wicked Tom had persuaded innocent little brother Clifford to pinch his dad's tools from the shipyard for some housebreaking. The Hamiltons had taken in a couple of snooty nosed evacuees. Flighty Aunt Dorothea (played by Stephanie Beacham with a moue, five large hats, and all the stops out) had turned up with her sports car and her little dog. Tom The Bad had taken the opportunity of the wedding to pinch letters and a photo-revealing Edward's fascist sympathies, and a spot of intra-family blackmail was under way.

Had it been sustained at this breakneck speed, everything might have been all right. But with tomorrow's episode, and again next week, matters slow down. The Jowett Javelin factor comes into play and we find ourselves looking far too carefully at the WAAF uniforms and the facade of St Pancras Station, pristine after its 1994 facelift, yet surrounded here by 1939 sandbags. And what begins to become apparent is that - just as costumes in historical movies tell us more about the fashions of the time when the film was made than about the real clothes of the historical period in question - *No Bananas* tells us as much about the attitudes of the 1990s as those of the 1930s.

No doubt Gimnie Hole and producer Peter Norris are well aware of how matters such as feminism have changed and consequently the attitudes and assumptions in *No Bananas* could never be mistaken for those of 1996. But nor could they be mistaken for those of the 1940s. They are similar in a way to all those flawless vehicles: a latterday idea of what things must have been like. But if you look at British documentaries of the 1930s, the films of Powell and Pressburger, or the Kabing comedies, you realise that the intervening social revolutions have been more radical than *No Bananas* would indicate.

Of course, if you happen to be a vintage vehicle enthusiast the series will be a godsend. For the rest of us, the sooner they get the narrative back into Cresta Run mode the better.

Wednesday saw the return of *Vice or Virtue*, an illustration that, if the subject is meaty enough, even the rent-an-intelligentsia crowd that invariably turns up on these occasions can be good value. Mark Lawson is better at guiding serious talk than he is at making flip jokes on TV's *Late Review*. Ann Leslie, Jonathan Porritt and A.N. Wilson weighed in on the subject of guilt and shame. The one is internal and subjective, the other external and applied by

peer pressure. Fascinating ramifications, including the distinction between restraints (bad) and moral codes (good); and the suspicion that a society without taboos is dangerous. Would Lewis Carroll have gone further than merely photographing little girls had he

enjoyed today's self-awareness? We might well have lost *Alice in Wonderland* anyway. All remembered Profumo's resignation for having lied to the House with a certain incredulous nostalgia now that we have ministers who resign as easily as a leech can be prised from an artery.

Outward morality changes from age to age, but human neuroses remain the same. *Dear Diary* now has a range of presenters, each programme devoted to one subject or theme. I miss Simon Brett's artless inclusion of his *Jennings-at-School*-like jottings along with Dorothy Wordsworth, Parson Kilvert and

Fanny Trollope; but the new form can turn into unexpected mini-features. On Monday we heard about David Livingstone's disastrous Zambesi trip: quarrels with an overbearing naval officer (whose secret agenda was to find one of Israel's lost tribes), violence between the good doc and his brother over a rotting pillow. And, no surprise in this age of debunked heroes, the doctor himself was a manic-depressive - though the programme generously concluded that this made his greatness all the more remarkable.

Livingstone was looking for a route along "God's high-

way", as he termed his pet river, to transport commerce, Christianity and cotton, though not all in the same direction. Old empire-builders would be fascinated by *Diversing Dominions*, Radio 4's series on the growing up, and away, of our family of nations. On Wednesday David Lange, the ex-prime minister presented a fascinating 45 minutes on New Zealand (think of the horror of a 45 minute programme presented by one of our presenters of 10 Downing Street), a natural broadcaster, relaxed, friendly yet authoritative. He wryly noted that the Labour government's galloping privatisation and deregulation had

out-Thatchered Thatcher, and that now it had gone too far. The Kiwis must have undergone more radical changes in a shorter time than any modern state not subjected to violent revolution, from the "aggressive brekaway country at the end of the world" where the US insisted on nuclear ships in port and the French still test their weapons, via the highest growth rate in the OECD, to a multi-cultural society already spawning anti-immigration political parties. The welfare state has gone sour. One in six now live below the poverty line; 80 per cent of charitably distributed food goes to those working but

unable to cope. What once sounded like paradise now has the OECD's highest youth suicide rate among men and third highest among women.

Yet it still sounds a country potentially both mythic and exciting, not least when championed by our own Bryan Gould, happy to have left the British political scene. New Zealand's gain is our loss. Meanwhile it races ahead, proportional representation in view and a republic not far behind. The present PM, Jim Bolger, of Irish stock, sounded like a smooth politician. Lange still sounded like a human being. It's called progress. Interestingly, Lange thought

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Radio/Martin Hoyle

Morality changes, but neuroses don't

... (Continued from previous page) ...

Theatre/Sarah Hemming

Dr Johnson, I presume

Mureen Lawrence's *Resurrection* is the stage equivalent of a good read. The play (performed by the Bush Theatre) focuses on Samuel Johnson and his black manservant Francis Barber. Barber first worked for Johnson as a boy, and given his freedom by his former master, he then returned on and off until the death of the great man of letters. We meet the pair when Johnson is on his deathbed and Barber has returned to nurse him through. Scenes between them are interwoven with (too many) flashbacks to various points in their lives together to illustrate the complexities of their relationship, and, through the particular, Lawrence pursues larger themes.

She explores whether slavery can ever be atoned for, how equal the relationship between social unequals can ever become, and whether love itself can turn into a form of exploitation.

It is clear in the play that Johnson, with his anti-slavery views and generous heart, means well towards Barber, but it is also clear that his protective attitude towards him could be seen as domineering and that to some degree he

Concerts/Antony Bye

Rostropovich and friends

Over the past ten years or so, some of the highlights of London concert life have been the LSO's regular composer festivals masterminded by the cellist turned conductor, Mstislav Rostropovich. Britten and Prokofiev were the composers featured at a pair of LSO concerts at the Barbican on Sunday and Tuesday, and although friends and colleagues of both, Rostropovich made it quite clear that he was in no way attempting to recapture their own recorded interpretations.

Those present on Sunday, for instance, who were familiar with Britten's own comparatively dispassionate recording, would hardly have recognised the "Four Sea Interludes" from *Peter Grimes* in Rostropovich's very deliberate reading. Every gesture was accorded tremendous and equal weight and little attention given to the niceties of orchestral balance: the effects were far from subtle and in the "Storm Interlude" verged on the cacophonous.

But Tuesday's account of the "Serenade" for tenor, horn and strings was another matter, thanks largely to the outstanding singing of Ian Bostridge. Here is an artist who communicates through understatement, and he was ably comple-

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ARTS

Where soap opera meets surrealism

Nigel Andrews reports from the Cannes film festival

In that friendly world war we call the Cannes Film Festival, the north has been winning strong victories over the south. The two mid-festival favourites have been a Danish film set in Scotland, Lars Von Trier's *Breaking The Waves*, and a Hollywood film set in Minnesota, the Coen brothers' *Fargo*. Together with Mike Leigh's earlier *Secrets And Lies* - a comedy set in the bleak latitudes of the British soul - they make a formidable bookies' threesome for Golden Palm.

The festival has proved one long-held Andrews theory, that all north-ers understand all other north-ers, even when forced to meet up in the sunny south of France.

Trier's *Breaking The Waves*, telling of a schizophrenic Scots girl whose marriage to a Scandinavian oil-worker takes bizarre turns when he is paralysed by a rig accident and she lives out his fantasies by sleeping with other men, is as sanely at home in the Hebrides as this director's last hit *The Kingdom* was in his native Copenhagen.

Trier paints his semi-fantastical island like a native. The Calvinist elders growl and admonish. The pale, shroud-like skies seem wrought by some cosmic cloud-weaver. And the large-eyed, piping-voiced newcomer Emily Watson is superbly believable as the Celtic wail whose emotional life voyoes between heaven and hell.

Trier shows a penchant for restless, handheld camerawork and orange-tinted visuals: one suspects he is trying to make a shoestring budget look interesting. But if there are times when this 2½-hour film resembles a collision between expressionism and soap opera - Ingmar Bergman meets ER - at others his narrative grip, pathos and macabre comedy are irresistible.

Fargo is the truth-based tale of a

miscarried kidnapping. Hard-up car salesman William H. Macy arranges his wife's abduction, planning to take a cut of the ransom money provided by his father-in-law. But he reckons without volatile kidnapper Steve Buscemi or his quick-trigger henchman Peter Stormare. He also underestimates small-town police trooper Frances McDormand, who carries the ensuing multiple murder case to term even though five months pregnant herself.

As a comedy thriller *Fargo* gives full value on both counts. As sharply plotted as the Coens' Cannes-unveiled debut *Bad Santa*, it is also a deft satire on backwoods manners, set in the Coens' home state whose Scandinavian accents and Calvinist propensities would be instantly recognised by Lars Von Trier. Surrealism is never far off. (Who can resist a hoodlum who exclaims "Unghent, I need some unghent" when sustaining a small cut in mid-crim?) But these smalltime dreamers and bunglers are also wonderfully believable.

Influenced by all this northic fiction, Cannes itself has behaved as if re-located to Huddersfield. Grey skies, cool nights and blasts of rain may explain why Dustin Hoffman and Al Pacino, the year's two mascot celebrities, have some around wearing deepest black. No doubt they are in mourning for the land of sun and smog.

Hoffman was here to trumpet a film of Mame's *American Buffalo* which no critic was allowed to see. (It was screened for buyers and sellers only in the Market.) Pacino escorted his hot-ticket directing debut, *Looking For Richard*, through a noncompetitive sideshow.

Everyone plus their dogs and children packed into this. In the year's second bid to make *Richard III*

accessible to the popcorn set, Pacino moseys around London and New York quizzing experts from John Gielgud and Vanessa Redgrave ("You must concentrate on the pentameter of the soul") to a couple of shellshocked-looking Oxford academics. He also visits the playwright's home in Ul' of Stratford, where fire officers arrive when the air lumps set off alarms in the Bard's bedroom.

In between, the director and his handpicked Hollywoodites - Alec Baldwin as Clarence, Winona Ryder as Lady Anne - act out the big scenes in full costume. Pacino's own Richard is far better than we feared, the whole film far more enchanting than we could have dreamed.

Actor-directors are popular at Cannes '96, where career identity seems as volatile as the weather. *Fargo* star Steve Buscemi's behind-camera debut, the street comedy *Three Lameys*, won friends on the festival fringes. Matthieu Kassovitz, who took last year's Best Director prize for *La Haine*, won acting plaudits as star of the best-liked French film in competition, Jean-Jacques Annaud's Occupation satire *Les Héros Tres Discrets*. And Anjelica Huston brought her auteur debut, *Bastard Out Of Carolina*, a powerful tale of child abuse down south.

This film also showcased a performance from Jennifer Jason Leigh as a tormented mother - blanched of face, ragged of emotion - that almost made up for her feature-length Jean Harlow impersonation in Robert Altman's drab stab at a 1930s-set film noir *Kansas City*.

Like Altman, director Chen Kaige produced an eagerly awaited period piece that disappeared into its own production design. *Templeton Moon* gives us Gong Li and Leslie Cheung, the stars of Chen's Golden Palm-winning *Foreverell My Concubine*, in a post-dynastic love story as gorgeous as it is empty-headed. There are florid lighting, costumes to kill for and dazzling Steadicam sequences. But the novelistic script ends up going around in as many circles as the camera.

Another voluptuary with a movie lens, Bernardo Bertolucci, fares better with *Stealing Beauty*. A decade after Signor B's own romance with post-imperial China, *The Last Emperor*, he returns to Italy for a subtle chamber drama set in the place Britons know as Chianti-shire. When American virgin Liv Ullmann comes to stay with a bunch of mul-



Al Pacino as Richard III: far better than we feared in his enchanting hot-ticket directing debut, 'Looking for Richard'

ti-national arty types in a Tuscan villa, including sculptor Donal McCann, wife Sinead Cusack and dying AIDS patient Jeremy Irons, the screen rings to Babel tongues and bibulous character revelations. Tyler finds out who her father is and everyone else stumbles on gems of self-knowledge, including Bertolucci. For the first time since *La Luna* his sensuality of style serves meaning not spectacle, poetry not the merely picturesque.

Elsewhere, as ever in Cannes, you placed your hand in the tombola and hoped to come up with a lucky ticket. For every seat-numbing

nightmare like *I Shot Andy Warhol*, in which actor-lookalikes fictionalise the decline and fall of the Factory, or Africa's *Po Di Sangui*, in which dark-continent cinema takes a step into deepest obscurantism, or Jaco Van Dormael's *The Eighth Day*, a schmalzy disability fable from the maker of *Toto Le Hero*, there have been movies or moments that transcend expectation.

Most of these, be it said, have come from Britain. UK stars have brought sparkle to non-UK films, from Irons in *Stealing Beauty* to Miranda Richardson stealing an entire movie as a dope-addicted

socialite in *Kansas City*. A Scottish actor, Ewan McGregor, has become the festival's top sex symbol, after romping nude through Peter Greenaway's *The Pillow Book* and then bringing a blush to visiting Virginia Bottomley's cheeks as the dashing hero, with his own brand of heroin, in *Trainspotting*. And a mixed-merit Irish movie, *Some Mother's Son*, harrowed everyone with its climactic scenes recreating the 1980s Maze Prison hunger strikes.

If you want to place a bet on a single country to take the biggest share of this year's prizes, place it now and place it on Britain.

It is 3.30pm on a windy Wednesday afternoon in Brighton and an Italian restaurant is full of voluble, shaven-headed Russians. This is the Maly Theatre of St Petersburg, fueling up with pasta to present *Gaudamus*, its startlingly brilliant show about young army recruits. The company currently numbers 47, but will shortly swell to 58 in order to perform the British premiere of its new show, *Claustrophobia*.

It is hard to equate these sorts of numbers with the fact that "maly" in Russian means "small", but then the Maly Theatre has never allowed itself to be circumscribed by minor details like that. Its work often entails huge companies, long tours and epic shows. On the company's 1994 visit to Britain, it visited five cities and brought over eight plays, including a ten-hour version of Dostoevsky's *The Possessed*, and *Brothers and Sisters*, a two-part piece about a Russian village under Stalin that sported a cast of 40.

Since the Maly first played to a tiny, but wildly appreciative audience at Glasgow Mayfest with *Stars in the Morning Sky*, its members have been regular visitors to Britain and mammoth tours have become part of their lives. The company spends an increasing amount of time on the move - often six months - and has now built up a relationship with audiences in towns all over the world, providing a rich insight into a changing Russia. "It is like being an international repertory theatre", says Lev Dodin, the company's artistic director. "We feel we are speaking with friends who understand what we are talking about."



Culture clash and continuous dialogue: a scene from 'Claustrophobia'

Dramatic steppes

Sarah Hemming talks to Lev Dodin, artistic director of the peripatetic Maly Theatre of St Petersburg

The company has chosen Nottingham for the British premiere of its newest show, which will travel to Glasgow and London. *Claustrophobia* represents a new stage in what Dodin refers to as the "continuous dialogue" with its audience. The show is a departure for the company - its first purely autobiographical piece - and it could not have come about at all were it not for the fact that the company now spends so much time shuttling between Russia and the west.

The play was inspired by the reactions of the youngest company members when they first toured the west six years ago. "For the first time, these 30-year-old actors saw another style of life and another kind of culture," says Dodin. "And the more they saw, the stronger their impressions were on returning to Russia. They saw old things under a new light."

"It was like landing on the moon," recalls one of the actors, Igor Nikolaev. "It was a completely different world. The company began by doing improvisations based on what they had seen and felt, and on the new perspectives the experience gave on Russia. Since all Maly's work begins with long sessions of experimentation the actors' input is

always significant, but with *Claustrophobia* the cast assumes authorship in the truest sense.

This being the Maly Theatre, the piece is far from a po-faced tract. The company's appeal lies partly in its superb ensemble playing and partly in its ability to combine extraordinarily brutal stage imagery with passages of unexpected tenderness and moments of hilarious physical comedy. Few who have seen *Gaudamus* will forget the profoundly alarming but very funny opening scene, in which the gawky young army recruits, hurrying about in their ill-fitting uniforms, suddenly and unpredictably disappear as they fall through the dozens of trapezoids concealed about the snowy stage.

Claustrophobia is set in an enclosed white room, and the young cast swarms over it, scaling the walls and even bursting through them. There are comic episodes involving queuing and dealing with mind-boggling bureaucratic, but more often the performers' frustration is transformed into a manic energy, expressed through dance, music and wild theatrical imagery. Eventually, assaulted from outside and within, the white room completely collapses (one of the company is a plasterer, who

repairs the set after every show).

It would be easy to see the white room simply as contemporary Russia and its demise purely as an expression of despair at the system, but as Lev Dodin hints, it is not quite as straightforward as that. "The most interesting thing in the rehearsal process was the path we took between finding the differences between the two ways of life and discovering the similarities. People tend to notice the differences: in fact there are more similarities than differences. Hence the name *Claustrophobia*. This is an illness: fear of enclosed spaces. In fact we all live within the closed space of our land and within the closed space of our soul."

Dodin feels that the recent experiences of Russians has left them more open to awareness of the fundamental problems faced by all human beings. "Living under a totalitarian system, people can blame the government for their lack of freedom. Now we have got more freedoms, and we shouldn't underestimate them. But this has revealed the absence of inner freedom - and the absence of inner freedom is universal."

Apart from the artistic benefits of touring, the company needs to keep moving to earn hard western currency. "The costs of producing a play in Russia have rocketed," explains Dodin. "It would be very difficult to survive if we didn't tour. We would have to invent a new way of life."

In some respects, theatre in Russia now has a less clear role than in the Soviet era, and while restrictions and censorship have been lifted, companies have to survive in a harsher financial climate. But, as the energy released in *Claustrophobia* suggests, for Dodin and his company there is no question as to which is preferable. "We live in a new world with a lot of difficulties," he agrees. "But it is still better in the new world. The real misfortune would be if the old world were to come back."

Gaudamus runs at Newcastle Playhouse until tonight. *Claustrophobia* opens at Nottingham Playhouse on May 21-25; it then tours to the Tramway, Glasgow (May 28-June 1); Lyric Theatre, Hammersmith, London (June 4-6). The tour is assisted by Barclay Stage Partners, a Barclays scheme for new performers and the Arts Council of England.

For Bohemian spirit read Period music

Andrew Clark on Roger Norrington's brave performance of Smetana's 'Má Vlast' in Prague

Roger Norrington has done it again. He has stripped one of the great symphonic works of its accumulated varnish, revealed its inner workings, and interpreted it in his own individual style. But this time he was not operating on neutral ground. He took his London Classical Players to Prague, and presented the Czechs with the first historically informed performance of *Má Vlast* (My Country), Smetana's symphonic cycle on patriotic themes.

Telling the Czechs how to play *Má Vlast* is a bit like instructing an Italian in the art of pizza-making. They may not be proprietorial about their music, but they know their Smetana. And *Má Vlast* - with its poetic evocation of mythology, Moldau and motherland - is one of the great symbols of Czech nationhood. With just two exceptions, it has opened every Prague Spring festival since 1946, always with a Czech conductor or orchestra. So Norrington's mission, at the festival's invitation, took courage.

There had been a fevered build-up to last Sunday's concert, with intense speculation about how the new-fangled "foreign" version would compare to the hallowed Czech Philharmonic approach. Period performance is still in its infancy in Prague, and identified more with the baroque-to-early Romantic repertoires. In the event, Norrington's ideas were accepted as a valid alternative. The gala first-night audience, including president Václav Havel and the entire Czech musical establishment, applauded warmly.

Press comment was surprisingly open-minded. *Rude Pravo* summed up the occasion as "an adventure with question marks", and several critics said Norrington had shown how to prevent a piece of music becoming fossilised. Quite so. Over the years, Czech performances of *Má Vlast* have slipped into a predictable groove - rarely less than spirited, but never breaking out of well established interpretative parameters. Czech tradition in *Má Vlast* means Czech Philharmonic tradition, with doubled winds and a huge body of strings - much larger than the orchestra of Smetana's time. In a local interview, Norrington savaged the latest Czech edition of the score, saying it was not a version which could be used by purists of Smetana's style.

More surprisingly, he argued that *Má Vlast* fitted into a pattern of Slavonic works which had their inspiration in Vienna and Germany - a curious notion, given that Czech nationalism was Smetana's guiding light, and Czech folk music one of his sources. Perhaps this explains why the missing ingredient in Norrington's performance was Bohemian spirit. It resembled a test-tube *Má Vlast*, genetically pure but starved of the air, soil and people who fertilised it. The London Classical Players had never played the work before, and it showed. It would be a real eye-opener if Norrington were to go back and give a performance with the Czech Philharmonic.

But the sound of a period instrument orchestra in the reverberant confines of Prague's late 19th century Rudolfinum was revealing enough. The Czech Philharmonic's big-boned approach usually overwhelms this jewel-like auditorium. At last, here was an appropriate size of orchestra (72 players), arranged with particular attention to balance. With the two harps on either side of the stage, the opening bars of *Výšehrad* rose up stereophonically. The blend of vibrato-less strings and wooden flutes made *Vlasta* positively Mendelssohnian, and the final two movements were less brassy than usual. The inner lines of the music were suddenly revealed, the colours more transparent.

Interpretatively, Norrington had less to offer than in his Wagner and Bruckner experiments. Apart from some folk sections, more jig than polka, his tempi varied little from the standard Czech approach. More seriously, the first three movements were too polite by half, with little sense of majesty and sweep, and there were some clumsy transitions. Only in the second half did the performance start to wake up.

Perhaps it will sound less tentative by the time it reaches the City of London festival on June 25. A work like *Má Vlast* needs to be lived with before the performance matures. It would be a pity if Norrington's pioneering efforts, spurred on by the recording industry, failed to take that into account.

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CLASSIC FM

EDUCATION

It's better the second time round

John Authers reports on the adults who are flocking back to school - and who find they like it more than sex

According to a survey published earlier this year, Britons get more pleasure out of learning something new than they do out of sex. It is, of course, possible to get members of the great British public to say almost anything in a survey if you ask the right questions. But it was still intriguing that North Yorkshire Training and Enterprise Council, which conducted the survey found 41 per cent of people said learning made them happy, against 37 per cent who enjoyed sex.

This finding still revealed a change in attitude to learning - while many people dislike their lessons while they are at school, adults tend to look on learning as a positive, and enjoyable experience.

This might explain the present boom in summer courses and schools. Primarily, these courses are not to help you in your career, or to catch up on work you should have done at school. They are for recreation.

Most summer school operators are offering an experience which someone might choose for their annual holiday. The knowledge or skills learnt might be useful, and the learning of them might involve some rigour, but you are unlikely to be worked too hard at a summer school.

Greatest interest centres on

arts and crafts, which many might find therapeutic. The courses aim to cover ground as swiftly as possible, and can normally be completed in one or two weeks - fitting in with average budgets and holiday entitlements.

Two of the longest established centres are the Missenden Summer School in Buckinghamshire, and West Dean College in West Sussex. Both are based in stately homes amid rolling countryside, and concentrate heavily on specialised arts courses - aiming at adults who want to relax by doing something slightly different. The two even share some tutors.

At Missenden, where courses either last a week or half a day, and cover technical subjects such as "creative cakes - sugarcraft", "Chinese brushwork", "padded and decorated boxes", and "leather sculpture". Costs for a week are £399, including accommodation, and £149 for tuition only. Half-days cost £75.

West Dean focuses even more on "traditional crafts", including a range of courses in calligraphy, plus bookbinding, blacksmithing, basketry and pottery, ceramics and mosaics. Costs for a week are £369 in a room with a shower, or £226 as a non-resident.

A more metropolitan experience with the fine arts could come from the Slade School of

Fine Art, part of University College, London, and situated just off Euston Road in central London. This is a truly international affair, which last year attracted students from 34 countries, and it is aimed more at those looking for professional careers in the arts. Courses cover painting, drawing, etching and sculpture, and will cost £450 for two weeks.

Some subjects are a long way from the traditional public school syllabus

Summer schools are not only for adults. Boarding schools, in particular, now regularly open their doors during the summer to offer holidays to children. They have strong financial incentives to do so following the sharp falls in boarding numbers over the last few years, and summer earnings are a valuable revenue for them.

The Independent Schools Information Service provides a wealth of useful information to help choose a suitable course, from 49 different providers.

While most of these are recognisably "schools", few concentrate on their standard

academic term-time curriculum. Instead, sport and creative arts predominate, along with heavy doses of English as a foreign language.

Marlborough College in Wiltshire, and Millfield School in Somerset, have come to lead the market.

Marlborough is offering 140 courses for anyone from the age of six upwards, and it typifies the new philosophy of using summer schools as an opportunity for a holiday.

Courses last a week, with a basic charge for adults of £82 for a half-day course, and £160 for full-day courses. Courses for children are slightly cheaper at £80 and £150. Accommodation varies from en suite rooms in the town (£280) to dormitories (£125, or £100 for under-16s).

Few leisure pursuits seem to have been ignored with "scoop-writing for the press" nudging next to "rock 'n' roll bands" on the syllabus - a long way from the traditional public school syllabus.

Similarly, Millfield's "Village of Education" departs from the sports for which the school is famous and offers courses including "feelings", and "massage".

Some schools have also branched out into adventure holidays. Isis endorses this, but also suggests precautions. You should ask the company about its basic safety procedures, and



Students at the Slade School of Fine Art, working at sculpture...



...and painting

also check that it has qualified first aiders, and it is important to inform camp organisers of any allergies or special diets your child might have.

Make sure the company has adequate insurance. And most importantly, find out the ratio of staff to children. There are no legal requirements but you should check that there are

always at least two adult supervisors available on site to enable one to continue should an emergency arise.

The ATL teachers union recommends its members that for "potentially hazardous" trips (which includes exploring a big city, as well as more obvious candidates such as pot-holing, the ratio should be as small as

one to five. It also recommends that, whatever the size and age of the group, at least two adults should be present whenever children are on a journey or in transit.

The British Adventure Holidays Association recommends a ratio of five to one for under-fives, and of eight to one for children up to the age of eight.

If you are interested in a particular "hazardous" activity, such as rock-climbing or canoeing, it is also worth talking to the relevant national association, as most will have strict guidelines.

Isis Spring and Summer Schools Supplement, 56 Buckingham Gate, London SW1E 6AG. Tel: 0171-630 8793/4. E1.

The academic year spreads into summer

University vacations are becoming a thing of the past. Higher education is under pressure to raise extra funds, and squeeze as much value as possible from its assets. So universities are finding ways to use their campuses during their holidays.

This is partly to satisfy demand for "recreational" summer courses. But it is also part of the changing structure of British higher education, and of the degree itself.

As student numbers have doubled in the last decade, the nature of their experience has had to change, with far fewer of them going through the traditional full-time three-year residential course, started before they have turned 21.

Now, universities want to accommodate adults, those in work, and those who need to spread their degree over several years. That has meant heavy work on "credit accumulation and transfer" (Cats), allowing one university to accept work carried out at another.

As the system develops, "pick and mix" degrees should be possible, with students studying where and when it suits them, and taking far more than the regulation three years to complete their degrees.

From this year, summer uni-

versities have made a further step towards co-ordination, by launching the Summer University Network, which provides details for 16 separate summer schools. While these do not much resemble traditional university courses, they do provide a very wide range of experiences.

The focus, however, is on people who are working towards a degree. According to Lancaster University, where the network is based: "We have students who are making up courses and want to get ahead, students who are trying to lighten the load during the

rest of the year. And, with the cutback in student support and grants, many students are having to work part-time during term - coming to the summer school makes it easier to fit all their work in during the year."

This is a very recent development - with most of these "extension" courses developing only in the last three years, in response partly to attempts by government funding agencies to tempt universities into offering more flexible courses.

Various pilot schemes mean that some universities can offer courses for free, particularly if they are used to lure

people into higher education who would not otherwise have attempted a degree. For example, the University of Teesside is offering courses "to provide an opportunity for local people to sample university life and learning", and to allow them to accumulate extra credits before starting a degree.

Subjects include study skills such as "essay writing" and "strategies for studying with dyslexia"; subject specific courses such as biology and physics; and "lasters" for broader subjects such as computer programming and consumer law.

Other universities aim at those living outside the UK. At the University of Hull three or nine-week courses are on offer in English for Study and Research and English Language, Society and Culture. The former aims to get students who do not speak English as a first language ready for the rigours of studying in English, while the latter involves heavy language tuition plus work on contemporary Britain.

Prices are £450 for three weeks, and £1,200 for nine, plus accommodation of £5 per night. The London School of Econ-

omics also aims at the overseas market. Last year, its international summer school attracted students from more than 50 countries.

This is definitely not recreational learning - each course lasts three weeks, with 42 hours of teaching time and at least one exam. The cost is £500 for a three week session (tuition only).

In the holiday market, 13 universities form the Summer Academy. This specialises in week-long courses taught by university staff. The curriculum at the University of Kent at Canterbury is typical, with

33 courses on offer, mostly in arts subjects such as heritage, art history, literature, creative writing, or film studies. Lancaster has a similar range, and takes advantage of its Cumbrian campus to offer courses in "The Romantics and the Lake District".

Course fees are from £340 to £390 per week, including full board in a hall of residence. This will usually be in one of the country's more scenic cities, or at least near to rolling countryside.

The Summer University Network, Lancaster Summer University, Storey Institute, Meeting House Lane, Lancaster LA1 1TH. Tel: 01524-849494

John Authers

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INTERNATIONAL ARTS GUIDE

What's on in the principal cities

AMSTERDAM

CONCERT Concertgebouw Tel: 31-20-5730573
Radio Filharmonisch Orkest with conductor Edo de Waart and mezzo-soprano Jennifer Larmore perform works by Mozart, Rossini and Respighi; 8.15pm; May 21

EXHIBITION

Rijksmuseum Tel: 31-20-6732121
South Wing: after three years of renovation, the museum's South Wing is open to the public again. Displays of 18th- and 19th-century paintings, Asian art, costumes and textiles are on view in 16 new rooms; to Sep 22
Van Gogh Museum Tel: 31-20-5705200
Phillip Otto Runge and Caspar David Friedrich. The Passage of Time: the first exhibition in the Netherlands to be devoted to German Romanticism. The display features paintings, drawings, watercolours and paper cut-outs by the two leading figures of this movement: Philipp Otto Runge (1777-1810) and Caspar David Friedrich (1774-1840). The majority of the around 60 works presented are from the Hamburger Kunsthalle, which possesses the largest part of Runge's oeuvre. There are also works by Friedrich on loan from Cologne, Dresden, Leipzig, Hanover, Frankfurt am Main and Vienna; to Jun 23

ANTWERP

CONCERT Koningin Elisabethzaal Tel: 32-3-2024682
Het Koninklijke Filharmonische Orkest van Vlaanderen: with conductor Heinrich Schiff and clarinettist Marc Verheijen perform works by Lutoslawski and Bruckner; 8pm; May 23

BARCELONA

EXHIBITION Fundació Antoni Tàpies Tel: 34-3-4870315
Paul Thek. The wonderful world that almost was: exhibition devoted to the work of the American artist Paul Thek (1933-1988). The display includes a selection from his series 'Technological Reliquaries' (1964-1967), bronzes from the series entitled 'Personal Effects of the Fied Piper' (1973-1978) and a broad selection of drawings and paintings produced throughout his career. The environments 'The Procession/The Artist's Co-op' (1969), 'Masticables' (1968) and 'Small Paintings' (1968) have been specially gathered for the occasion and audio-visual reports on the artist's large-scale installations and stage sets, his Amsterdam studio, and a documentary on his preparations for his exhibition in Loenersloot, The Netherlands (1969) complete the exhibition; to May 19

BERGLEN

FESTIVAL Bergen International Festival Tel: 47-55-312170
Bergen International Festival: this festival was founded in 1953 and has since then focused on presenting prominent Norwegian and international artists in the field of music, ballet, opera, theatre, folklore and other arts. Central festival theme is the music of Edvard Grieg. Highlights include performances of Thekla Thyra's choreography Mr. Worldly Wise by The Royal Ballet on May 22 and 23 (7.30pm); from May 22 to Jun 2

BERLIN

CONCERT Konzerthaus Tel: 49-30-203090
Berliner Symphoniker: with conductor Alan Francis, violinist Götz Bismay and narrator Götz Böhmberger perform works by Thomas, Liszt, Respighi and others; 4pm; May 19
Philharmonie & Kammermusiksal Tel: 49-30-2614383
Berliner Philharmonisches Orchester: with conductor Claudio Abbado and pianist Alfred Brendel perform works by Dvorák and Beethoven; 8pm; May 25, 26

EXHIBITION

Musee Nationalgalerie Tel: 49-30-2629922
Georg Baselitz: large retrospective exhibition devoted to the work of Georg Baselitz. The display includes 100 paintings and 10 sculptures; from May 24 to Sep 29

OPERA

Deutsche Oper Berlin Tel: 49-30-3493401
Tosca: by Puccini. Conducted by Stefan Soltesz and performed by the Deutsche Oper Berlin. Soloists include Janis Martin, Franco Farina, Ingvor Wixell, Rafi Lukas and Manfred Röhr; 7.30pm; May 21

BONN

DANCE Oper der Stadt Bonn Tel: 49-228-7221
Schubert: a choreography by Panov to music by Schubert, performed by the Ballet Bonn; 8pm; May 23, 25

EXHIBITION

Kunstmuseum Bonn Tel: 49-228-776121
China: exhibition of contemporary Chinese paintings. The display includes approximately 170 works by 81 artists; to Jun 16

BRUSSELS

OPERA



Rendez-vous de chets by Edouard Manet (see London)

Cirque Royal Tel: 32-2-2182015
A King, Riding: by De Vries. Conducted by Reinbert de Leeuw and performed by La Monnaie. Soloists include Derek Lee Ragin, David Wilson Johnson and Rosemary Hardy; 8pm; May 21, 22, 23, 25, 26, 27

CANBERRA

EXHIBITION National Gallery of Australia Tel: 61-6-240-6411
Roy Lichtenstein: exhibition of works by the American Pop-artist Roy Lichtenstein, drawn from the museum's collection; to Jul 21

CHICAGO

THEATRE The Goodman Theatre Tel: 1-312-443-3800
A Touch of the Poet: by Eugene O'Neill. Directed by Robert Falls. The cast includes Pamela Payton-Wright, Jenny Bacon and Brian Dennehy; Tue - Thu, Sun 7.30pm, Fri, Sat 8pm, Thu, Sat, Sun also 2pm; to Jun 8 (Not Mon)

COLOGNE

CONCERT Kölner Philharmonie Tel: 49-21-2040820
The MET Orchestra: with conductor James Levine perform works by Wagner, R. Strauss and Gershwin; 8pm; May 19

COLOGNE

CONCERT Schaeffelsplatz & Westend-Theater Tel: 49-221-2218240
Faust: by Goethe. Directed by Günter Krämer. Cast includes Hans-Michael Rehberg, Martin Reinkens, Brigit Walter and Ingrid Andree; 7.30pm; May 19, 21, 22, 24, 25

COPENHAGEN

EXHIBITION Dewida Samling - David Collection Tel: 45-33-13-55-84
By the Light of the Crescent Moon. The Near East in nineteenth century Danish art and literature: divided into three sections, the exhibition gives an overview of 19th-century Danish artists' portrayals and perceptions of the Middle East. The display includes texts written by the archaeologists P.O. Bronsted and J.L. Ussing and the architects H.C. Stilling and Ferdinand Meldahl, costume designs by Edvard Lehmann, Hans Christian Andersen's drawings and travel journals, and works by Martinus Rørbye, Adam Oehlenschläger, B.S. Ingemann, August Bournonville, Niels Simonsen and Elisabeth Jerichau Baumann. Some of the exhibits presented are throughout seriously intended and based upon actual experiences and impressions, whereas others are fantastic creations drawn predominantly from the imagination of their creators; to Sep 29

DUSSELDORF

CONCERT Tonhalle Düsseldorf Tel: 49-211-8992061
The MET Orchestra: with conductor James Levine perform works by Dvorák, Mozart, Bartók and Brahms; 8pm; May 20

EDINBURGH

DANCE Edinburgh Festival Theatre Tel: 44-131-5296000
The Trisha Brown Company: perform Trisha Brown's Set and Reset to music by Anderson, M.O. to music by J.S. Bach and If You Couldn't See Me to music by Rauschenberg; 7.30pm; May 21

GENEVA

CONCERT Victoria Hall Tel: 41-22-3283573
Martha Argerich and Nelson Freire: the pianists perform works by Brahms, Rachmaninov, Liszt, Saint-Saëns and Ravel; 8.30pm; May 21

HAMBURG

CONCERT Musikhalle Hamburg Tel: 49-40-349920
Metropolitan Opera Orchestra New

(Sprn)

LOS ANGELES

EXHIBITION MOCA at the Temporary Contemporary Tel: 1-213-621-6222
Images of an Era: Selections from the Permanent Collection: this exhibition presents highlights of the museum's collection from the 1940s to the 1970s. The chronologically organized display includes works by artists such as Anselm Kiefer, Jasper Johns, Donald Judd, Elsworth Kelly, Franz Kline, Barry Le Va, Agnes Martin, Claes Oldenburg, Jackson Pollock, Robert Rauschenberg, James Rosenquist, Mark Rothko, Richard Serra, Robert Smithson and Andy Warhol; to Jun 23

LOS ANGELES-MALIBU

EXHIBITION The J. Paul Getty Museum Tel: 1-310-459-7811
Ten Centuries of French Illumination: an exhibition of 20 manuscripts and single illuminated pages, presenting a survey of French painting in books, from the 9th to the 18th century. It includes richly illuminated books of many kinds, including scripture, liturgical and devotional books and bestiaries, as well as a series of elaborate emblems of the nobility. Jean Fouquet and Simon Marmion are among the 15th-century illuminators represented; to Jul 7

MADRID

EXHIBITION Fundación Colección Thyssen-Bornemisza Tel: 34-1-4203944
From Canaletto to Kandinsky: Master Pieces from the Carmen Thyssen-Bornemisza Collection: this exhibition features a selection of about 90 works from the Baroness's private collection. The display includes works by artists such as Toulouse-Lautrec, Monet, Sisley, William Bradford, Maurice Prendergast, Manuel Cabral and Raimundo de Madrazo; to Sep 8

MILAN

DANCE Teatro alla Scala di Milano Tel: 39-2-72003744
Tokyo Ballet: perform three choreographies by Bjørn to music by Stravinsky: Petruska, The Firebird and La sacre du Printemps; 8.30pm; May 24, 25, 26 (4pm)

MOSCOW

EXHIBITION State Pushkin Museum Tel: 7-065-2036974
The Treasure of Troy: exhibition of some 260 gold and silver objects, excavated by the German archaeologist Heinrich Schliemann in Turkey in 1873. It was Schliemann's belief that these objects, including diadems, rings, necklaces and goblets, once belonged to the Trojan king Priamos, but later research has proved this to be untrue. The finds were brought from Berlin to Russia by the Red Army at the end of the second world war; end date not known yet

MUNICH

EXHIBITION Haus der Kunst Tel: 49-89-211270
Umbo - Vom Bauhaus zum Bildjournalismus: retrospective exhibition devoted to the work of photographer Otto Umboer, also known as Umbo. The display includes 180 works from all stages of his career; from May 24 to Jul 28

NEW YORK

CONCERT Avery Fisher Hall Tel: 1-212-875-5030
New York Philharmonic: with conductor Kurt Masur, french horn-player Philip Myers and the Boys Choir of Harlem perform works by Kay, Kipper, Gould, Ellington and Halstead; 8pm; May 23 (7pm), 24, 25

NICE

EXHIBITION The Metropolitan Museum of Art Tel: 1-212-879-5500
Splendours of Imperial China: Treasures from the National Palace Museum, Taipei: exhibition of approximately 350 objects from the neolithic period through the 18th century drawn from the collection of the National Palace Museum in Taipei. The display includes examples of paintings, calligraphy, ceramics and jades; to May 19

PARIS

CONCERT Salle Gaveaux Tel: 33-1-49-53-05-07
Marie-Annick Nicolas and Bruno Canino: the violinist and pianist perform works by Leclair, Brahms, Prokofiev, Bloch and Ravel; 8.30pm; May 22
Salle Pleyel Tel: 33-1-45-61-53-00
Requiem: by Verdi. Performed by the Orchestre de Paris with conductor Semyon Bychkov. Soloists include Alessandra Marc, Roberto Alogna and Roberto Scanduzzi; 8.30pm; May 22

23

ROME

CONCERT Accademia Nazionale di Santa Cecilia Tel: 39-6-3611064
Murray Perahia: the pianist performs works by Scarlatti, J.S. Bach, Handel, R. Schumann and Mendelssohn; 8.45pm; May 22

ROME

CONCERT Accademia Nazionale di Santa Cecilia Tel: 39-6-3611064
Murray Perahia: the pianist performs works by Scarlatti, J.S. Bach, Handel, R. Schumann and Mendelssohn; 8.45pm; May 22

SAN FRANCISCO

CONCERT Louise M. Davies Symphony Hall Tel: 1-415-884-6000
San Francisco Symphony: with conductor Michael Tilson Thomas perform works by Stravinsky and Tchaikovsky; 8pm; May 22, 23, 24, 25

STUTTGART

OPERA Staatstheater Stuttgart Tel: 49-711-20320
Barbe-bleue: by Offenbach. Conducted by Ralf Weikert and performed by the Oper Stuttgart. Soloists include Canis, Kleinert, Smith, Wising and Berger-Tuna; 7.30pm; May 23

SYDNEY

CONCERT Concert Hall Tel: 61-2-250-7111
Sydney Symphony Orchestra: with conductor Marius Stenz and violinist Vadim Repin perform works by Beethoven, Mozart and Herzog; 8pm; May 22, 23, 25

THE HAGUE

EXHIBITION Het Paleis Tel: 31-70-3381120
Frantisek Kupka: exhibition of works by the Czech painter Frantisek Kupka (1871-1957). The display includes more than 60 paintings from the Musée Nationale d'Art Moderne in Paris and the Nardoni Gallery in Prague. Also on display are preliminary sketches for book illustrations; to Jun 16
Mauritshuis Tel: 31-70-3023456
Johannes Vermeer: the first presentation ever devoted solely to the work of the Dutch painter Johannes Vermeer (1632-1675) presents 21 of the existing 35 works known to have been painted by this master who lived and worked in Delft. Nine paintings have been restored for the exhibition, including View of Delft; to Jun 9

TOKYO

CONCERT Kioi Hall Tel: 81-3-32370061
Gidon Kremer and Neokyo Yoshino: the violinist and harpist perform works by Prokofiev, Takahashi, Caplet and Saariaho; 7pm; May 23

VIENNA

CONCERT Konzerthaus Tel: 43-1-7121211
Christine Oelze: accompanied by pianist Leonard Hokanson. The soprano performs songs by Schubert, Saint-Saëns, Franck, Bizet and Wolf; 7.30pm; May 21

WASHINGTON

EXHIBITION National Gallery of Art Tel: 1-202-7374215
Jan Steen: Painter and Storyteller: the exhibition of approximately forty-five paintings by Jan Steen examines the range of subjects and styles in this Dutch artist's body of work. There has been no major exhibition of Steen's work since the retrospective at the Mauritshuis in The Hague in 1959; to Aug 18

ZURICH

CONCERT Opernhaus Zürich Tel: 41-1-268-6868
Simon Estes: accompanied by pianist Veronica Scully. The bass-baritone performs songs by Schubert, Brahms, Mahler and Wolf; 8.30pm; May 20
Tonhalle Tel: 41-1-2083434
Tonhalle-Orchestra: with conductor David Zinman and pianist Emanuel Ax perform works by J.S. Bach, Liszt and Haydn; 7.30pm; May 21, 22, 23 (8pm), 24

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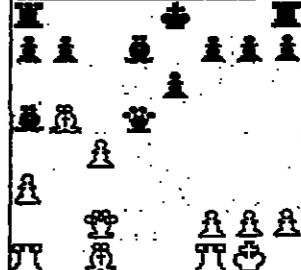
CHESS

After several detours, the troubled Karpov v Kasparov Fide world title series has at last found a home at Elista, the stronghold of the much criticised Fide president Ilyumzhinov. The date is June 6, the duration 20 games, and the prize fund around \$1m.

The match will not solve Fide's problems, for the tricky reunification with Garry Kasparov's breakaway PCA has yet to be arranged, and Ilyumzhinov may be deposed at the next Fide congress; but at least we now have chess rather than politics.

Spain has become a centre of chess activity. Two of the world top 10 have settled there, while the home-bred No.1 Miguel Illescas has responded well to his opportunities as in this crushing win (Illescas v Korchnoi, Madrid, Sicilian Defence). 1 e4 c5 2 Nf3 d6 3 d4 cxd4 4 Nbd4 Nf5 5 Nc3 Nc6 6 Bg5 The Richter Attack, whose reputation ebbs and flows. To escape the book here, try Michael Adams' 6 Be3 Ng4 7 Bg5 or else 6 f4.

as 7 Qd2 as 8 0-0 h6 8 Be3 Be7 10 f4 Bd7! Korchnoi's routine play concedes White scope for attack. Khalilman at Hastings chose the more active Nxd4 11 Bxd5 h5 12 Bd3 b4 13 Ne2 e5 14 Be3 Rb6.



\$14.98), a most useful book if you play by post.

Solution, Page 11

Leonard Barden

BRIDGE

Good opponents should give you a rough ride before you find your best contract. However, if you make it there unscathed, you should be in a stronger position than if the auction had been uncontented. Here, the declarer used information proffered by the opposition to score a minor triumph.

West dealt and opened 1NT, North passed, and East made a weak take-out to 2S. South bid 3S and partner raised him to 4S. West began with three top hearts, before switching to 4H, which ran around to East's K4, and South's A4.

Whenever the opponents have bid, you should make a basic count of all the hands. North-South held a combined 25pts. West would be placed with 12-14pts, so East was marked with 13-pts. When East produces his K4, it can be his only card.

On this reasoning, the declarer led 2H and, when West played his 9H, he finessed with dummy's 9H, which won. Having cashed 4H, he returned to hand with K4 and continued drawing trumps. Finally, he overtook Q4 with dummy's A4, and discarded his diamond loser on J4.

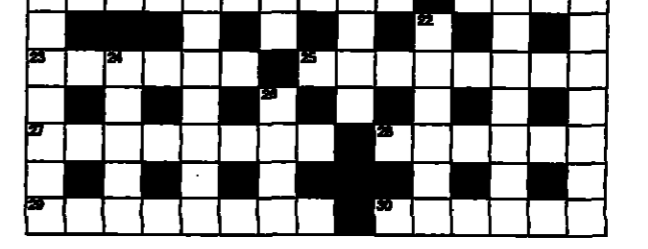
I wonder how many declarers would have played for the trumps to be 3-2, only to bemoan their ill-luck when West showed up with four? One of the great steps to becoming expert at bridge is undertaking a count of all the hands - both for points and distribution. Your reward is to dethrone fortune as your master.

Paul Mendelson

CROSSWORD

No. 9,072 Set by DANTE

A prize of a classic Pelikan Souvenir 800 fountain pen for the first correct solution and five runner-up prizes of 25£ Pelikan vouchers. Solutions by Wednesday May 23, marked Crossword 9,072 on the envelope, to the Postnet Tel. Number One Southwark Bridge, London SE1 8UL. Solution on Saturday June 1.



Name: Address:

- ACROSS 1 When companies provide capital (6) 2 Signs in conflict, though connected with the law (5) 3 Raw recruit that is found at the castle (6) 4 Freshly made bean soup may be served (5) 5 Places on one side? Correct (5,5) 6 Protection worn by king hiding in a tree (6) 7 Pitches are always exciting in this game (4) 8 Vessel serving as a cooler? (5,4) 9 New art's seldom produced by great artists (3,7) 10 Cold, with sore throat (4) 11 In the end I make a topping ornament (5) 12 Bitterness shown by Army CO in trouble (6) 13 Debt not transferred, following orders (5) 14 Lady hareback rider (6) 15 Humpty: theory by Ken seems out of place (6) 16 Bear right to enter London thoroughfare (6,7)

Solution 9,072 PROBABLY SADIIST OIGERO BARNABLE O U E U R N W N U N N A T A C H E D A T A T I E U N I T A R I A N S E X I S T E N C E E L E C T R O U O R S P I I S H O W E D O U R E G O R D A N S P M E W E D E I T O D E V E N S A C C O M P A N Y I N T E R I O R F I N I S H P L A M I N G O L E N E I E R P A L A T E E D U C A T E D O I G E R O B A R N A B L E O U A S L E N W F L I U G A L C H E S S E A T I N G R O O F U N D E R T A K E R I N C O S E I I F I T A W O R D S T A T U S O I G E R O E V E R S A L L P I N O N Y E D I S E G O O I N T R U B E N D E A D P P A L A T E E D U C A T E D P E A S A N T I M P E T O S O N I L I E R T R E O L O G Y S T A B I L I

WINNERS 9,060: D. & M. Anstey, Scampton, Leicestershire; C.F.K.N. Crosswell, Rye, East Sussex; J. Doe, Brixton, E.S. Leicestershire; Collocott, France; S. Morrison, Coleraine, Co Londonderry; Mrs P. Outram, Elymooreside, Chesterfield.



James Morgan

Soccer is dead, long live soccer

Football does, at least, provide a lush oasis in a politically correct desert

What are the following: Kiko, Stinga, Park and Pikabea? I guessed, a Japanese fashion designer, a cocktail, the national dish of an "economy in transition" and the capital of Equatorial Guinea? But no, they were the goalscorers in the leading matches of the Spanish football league last Sunday. Others were Jerkan, Pizzi and Chano. Only the last is Spanish.

The cosmopolitan nature of club football may lead many, wrongly, to think that it is no longer the last refuge of the politically incorrect and the racist, yet today one might support a team from an English provincial city whose players hail from Ukraine, Brazil and

Georgia, and not even the Georgia one has heard of. A Frenchman is the most loved man in English football even though he once famously kicked a typical fan. And yet, curiously, fanaticism increases as the links between a team and its town diminish.

But now a European season has come to an end with a remarkable reversal. Local lads have made good. In England, Manchester United, admittedly a showy side but whose players mostly cost a paltry sum, carried all before them. Only their most expensive signing, Andy Cole, was a failure. In Germany the first division title was snatched by Borussia Dortmund last Sunday when their rivals, Bayern Munich, went down 2-1 to

something called Schalke 04. Borussia's boss, Gerd Niebaum, described his success in beating the glamorous Bavarians (if that is not an oxymoron) as "A victory of the *Burgheser* over Hollywood."

In France, Auxerre won the cup and the league to the delight of those who like real football, the kind that existed before players went around in white Armani suits and shades. "If France loves Auxerre," wrote *Le Charente Libre*, "it is because Auxerre symbolises those Franco-French qualities, those virtues which have always made us prefer David to Goliath, courage to money... Auxerre is Asterix against those all-conquering legions from Milan and Turin." Hard work and humility had tri-

umphed over money, said *L'Alsace*. The paper marvelled over the "Burgundian ability to scent out opportunities, to dig out talents before others and then make them flourish." Local gifts to the world are not restricted to coq-au-vin and kir; "Auxerre sells when Paris buys," was the cryptic conclusion.

For *Le Soir* in Brussels, Monday was suicidal despair: its lead story was headlined "Belgian football seeks its way after a season of misery."

Soccer may do strange things to the mind, it may make men mad, but its drama is that it comes up with unlikely results. Auxerre win the double, Bulgaria beat Germany. The unexpected provides the redeeming feature of an otherwise

boring game. The great showpiece occasions may at best generate a single goal. When one is scored it will flow from a random event, an accident. Soccer almost alone, recognises the "own-goal," the decisive blow struck by a player against his own side.

And, lamentably, soccer never goes away. The season is finished, but the European championship is about to start, the next European season hits us six weeks later. American football, a tedious game played by freaks and designed to fill spaces between advertisements, at least has the grace to disappear for seven months.

And the American game does not play the same damaging social role soccer manages in Europe. It pro-

duces no hooligans, its supporters are not largely unattractive. But by the same token it cannot venture far into the territory of exotic bad taste. In Italy last week, *La Gazzetta dello Sport* carried a fine, pre-pre-for-summer ad for a building materials firm. It featured a close-up of the inadequately concealed bosom of a well-endowed lady. "Touch up the balconies," cried the slogan. The product guaranteed "best resistance to damage wrought by sudden temperature changes."

As much as one might want football to go away, one knows that, at the end of the day as they say, it will provide a lush oasis in a politically correct desert.

James Morgan is BBC World Service economics correspondent.

Peter Aspden Die? I could have laughed

Terminal illness can be performance art



The erstwhile philosopher of the drug culture, Timothy Leary, is facing his death with a sense of cool I had thought long vanished with spam, trade unions and singing Crosby, Stills, Nash and Young songs in the park. The man who urged us to tune in, turn on, and drop out is planning to switch off in a gloriously baroque mix of high-tech and satire.

Leary, who has prostate cancer, had planned to allow cryonicists to freeze his head in liquid nitrogen after his death, hoping to revive his pharmaceutically ravaged brain in time for the next Beatles revival.

But it seems he has had a change of heart. Offering the quite splendid excuse that the aforementioned, freeze merchants lacked a sense of humour, he decided that he did not want to "wake up in 50 years surrounded by people with clipboards" (as if he had never lived through the 1980s).

Now it seems he is to concentrate on his previous preoccupations on the "ultimate trip" (death in and me) and allow his disciples to witness his final moments "live" on the Internet. Log on, tap away, trip over. Blank screen. Upping. No reboots offered.

No one is saying that death is funny. But it is universal, inexorable and coming your way, sooner or later

It is a stylish way to go. But Leary's death wishes are only part of a greater noise. Public figures are increasingly addressing their own impending declines in frighteningly articulate terms. Britain's most conspicuous case at present is Dennis Potter, who died last year after giving an extraordinary television interview, in turn scabrous and inspiring, in between swallowing slugs of morphine. His *Karne*, currently showing on BBC1 and Channel Four, is a more coherent, legacy to the nation, although infuriatingly self-referential and unlikely to win him any new champions.

Derek Jarman was another great British artist who continued to work right to his death, indeed made death an important part of his work.

A less public figure, the philosopher Gillian Rose, wrote an exceptional account of her struggle against illness, *Love's Work*, full of polemics and insight, in the spring of 1995. After reviewing it in the FT, I received a call from an elderly man who said he had never been so inspired by a piece of text, and he had read a few. He did not need to tell me he was terminally ill; it was heavy in the sub-text of our conversation. Both Rose and her admirer died a few months later.

There are two common and significant themes among these cases. The first is that they are all fiercely secular interpretations of death and dying. None wallows in the safe refuge of an after-life. All these people tried to address what it is to feel life slipping away, the here-and-now of daily deterring more poignant than the second common theme, surely related to the first, is that all these accounts manage somehow to address death with humour. In Leary's case, with a predictable veneer of surrealism, in Potter's, with a grim edge of blackness.

Here, it struck me, was organised religion's chief failing in dealing with death. In its anxiety to provide succour in times of incomparable pain - and that is a function which should never be underestimated - it neglects to take into account this vital, mysterious human dimension.

Yet we all know that humour is often the most natural, the most comforting reaction to times of distress. No one is saying that death is funny. But it is universal, inexorable and coming your way, sooner or later.

In this day and age, pallid visions of celestial otherness are neither appropriate nor particularly helpful for many people. Leary speaks for a generation which was more than usually obsessed with alternative lifestyles and mind expansion. In treating his death as a piece of performance art, both mocking and serious, he bravely fulfils a vital function for the turn-of-the-millennium consciousness. For there is nothing more poignant than an alert, active mind playing, out its last, mischievous moves in full view of a public that knows that time is running out. Then, afterwards, we can grieve with a smile on our faces, and pay tribute to a life rather than be crushed by a death.

Like Shakespeare's moody hero, the Prince of Denmark is prone to bouts of introspection. The shy and sensitive Frederik, 28 next Sunday, has confessed to youthful fears about the job awaiting him when his mother Queen Margrethe II, 56, abdicates or dies.

In January, Frederik told *Berlingske Tidende*, the Copenhagen daily, that there was no academic answer to his problem. "You can't read in books how to be king," he said. "You must try and mould yourself, as my mother did."

Overshadowed for most of his youth by his taller, more talkative and more extrovert younger brother Joachim, he had looked on the prospect of becoming king as "grand and terrifying, something sombre and tragic which I tried not to think about."

It is not only students of Shakespeare who will recognise the syndrome. Prince Charles, heir to the British throne, has managed more indirectly to broadcast to a gaping world the traumas and frustrations of a king-in-waiting.

The Prince of Denmark began to assert himself after the age of 18. He beefed up his self image by running in marathons. Then he applied to join a military diving course under the pseudonym "Pingo". Six months ago, bursting with pride, he received his diploma as a frogman.

For a prince to become a frogman sounds like a piquant parody of a fairytale by Hans Christian Andersen, the Danes' favourite storyteller. Sadly, it does not mean that the prince's ordeal is over or a happy ending guaranteed.

Denmark is a famously progressive country whose citizens are supposed to take a healthy and relaxed view of sexual matters. Its newspapers are usually described as tolerant and - when it comes to the royal family, at least - deferential.

"It seems to be a general rule in Denmark that you don't get too personal," said Hans Joergen Nielsen, a political science lecturer at the University of Copenhagen. "It's not only the royal family that enjoys this immunity - you won't read about drunk MPs either."

Even less is there any public airing of the scandalous speculation about the royal household that occasionally swirls about the capital. The most that Queen Margrethe could complain of, in a book-length interview published in 1989, was that reporters were obsessed with her French husband Henrik's poor command of Danish and her own chain-smoking.

Last November, Prince Joachim married Alexandra Manley from Hong Kong, the daughter of an Anglo-Asian father and Austrian mother. A senior editor of the *Politiken* newspaper promised there would be "no scandalous reporting about past boyfriends and relationships". And added: "That does not happen in Denmark."

Alexandra meanwhile was quoted as saying that she had thought long and hard about marrying a prince and had decided she could cope with invasions of privacy, even if they reached "Diana dimensions".

Within three months, *Politiken's* sister paper, the 180,000-circulation popular daily *Ekstra Bladet*, had annulled the promise. It published an old photograph of the teenage Alexandra in a white bikini with three other girls in a Hong Kong beach club run by a former boy-



Queen Margrethe: she let the press loose on her sons, Frederik (centre) and Joachim, when they crashed their car

Queen Margrethe II, Prince Frederik and Prince Joachim

Royalty

Denmark's frogman prince

The heir to the Danish throne views his role as 'something sombre and tragic'. Christian Tyler reports

friend, the "super-playboy fitness millionaire" Eddie Phillips.

In his office at the end of a corridor hung with naked lovelies, Bent Falster, the co-editor of *Ekstra Bladet*, was unrepentant about the decision to buy the story - which was turned down by other Danish newspapers - and to print 25,000 extra copies.

"Of course it is of public interest," he said, waving a hand at the letters of protest from readers. "We are only talking about her in a very gentle way and the ex-boyfriend wishes her a happy future. I can see nothing distasteful about reporting that." Besides, he said, the more explicit details of the affair had been edited out.

"We may be crossing a line," he later admitted, "but we are not going the British way." Queen Margrethe once described herself as living "two doors down from Paradise" compared with what other monarchs had to contend with. "Her children and her in-laws still have that address," Falster said.

The bikini incident may be relatively trivial. But it is a worrying portent for the publicity-shy Frederik. He might recall the couplet

which Shakespeare gives Hamlet's stepfather Claudius: "There's such divinity doth hedge a king / That treason can but peep to what it would / There may be no treason afoot in modern Denmark, of course, but the "divine hedge" has been severely clipped and the long lenses of the press are beginning to peep through.

Frederik has had some experience already of press attention, especially about his love life. A girlfriend who is a model, Katja Storkholm, has recently been pictured posing in underwear. Four years ago, the papers were full of stories about a new year's eve party which ended with the prince apparently drunk in the back of a car while his then girlfriend Malou Aamund was arrested for trying to drive it away.

"It was like a cold shower," the Prince told *Berlingske Tidende*, "but apparently it was necessary to make me understand." Press attention had been "an enormous problem", he admitted, "a scourge both for me and for my girlfriends." Now, he said, he felt able to deal with it.

Like other parents, the royal couple might want their children to

grow up obeying the same rules that they did.

But it is a safe bet that Queen Margrethe - especially when she ponders the fate of Prince Charles's marriage to Diana - will not consider passing the baton until her son is well and truly wed.

"I have emphasised that they (the princes) should be absolutely convinced... that when they marry it is to be married and stay married," she told the Danish interviewer Anne Wolden-Raethinge in 1989. The dutiful Frederik said in January that he was not yet mature enough to marry, but that when he did it would be "for love".

The Queen's own handling of the press is bold. When eight years ago she was upset and angry with her sons for crashing their car in France, she threw them to the hounds by parading them, bruised and crestfallen, at a press conference.

Nor does she seem averse to the occasional marketing offensive. A foreign ministry brochure in English issued at the time of Joachim's marriage to Alexandra, gushed: "Who was she, this little, dark-haired beauty, who, dressed in a

Dannebrog-red suit, emerged on this spring afternoon..." (Dannebrog is the flag of the Danish realm).

The monarchy is doing fine, according to Erling Olsen, Speaker of the parliament; the Queen was representing the people better than any president could.

"But they are very vulnerable. They have to appear on television and be interviewed by the press. To say something meaningful without seeming politically partisan demands a good education and high talent."

Frederik, though by his own admission "not very bookish", has a Masters degree in political science from Aarhus university, this meant spending a year at Harvard under the alias "Frederik Henriksen". He will be the first Danish king with a degree.

However, to be young and female seem to be the best assets for royal inheritors. Margrethe came to the throne at the relatively tender age of 31 having been primed for her role by studying at the universities of Copenhagen and Aarhus. She also spent time at Girton College, Cambridge, in Paris and in London.

From her Swedish grandfather she developed an interest in archaeology. She has pursued her artistic accomplishments in painting, design and needlework, and was considered good enough to be commissioned to design a recent production of a Bourdonville ballet for the Royal Danish Ballet.

From the moment of her birth at the time of the German invasion she has always been popular, though her succession was also partly a defensive manoeuvre. Margrethe's father Frederik IX had no sons and the next in line, his brother Knud, was so dim as to be considered unplayable. In 1963 the law was changed to admit the sovereign's daughters to the line of succession.

Things were different in the old days. Olsen recalled that the late 18th century King Christian VII had managed to reign in spite of insanity because he was protected by his court. "I dare say if we had had television 200 years ago we would have a republic today."

Next week: Sweden - why Republicans hold their tongue

Truth of the Matter / Philip Crowe

It hurts to say 'he hit me'

The words come out quietly, almost reluctantly. "He hit me." Every listener knew she was going to say it. The sound of the hand across the cheek had already been heard, and repeated in the omnibus edition. But the words were still shocking.

The actress playing Shula Archer has already shown her ability by giving one of the most moving expressions of grief heard on radio, but it must have been taxing to give the words "He hit me", the right blend of hurt and outrage.

Her recently bereaved friend, Caroline Bone, responded perfectly, with incredulity, outrage, anger, sympathy, and cliché: "Any time day or night I'll always be there for you."

Sudden death from fire, in road accidents (at least two), and most recently, from a heart attack, are commonplace over the 45 years of *The Archers*, the still popular BBC radio series, they are no more common than in the average village.

But there has also been kidnapping, bankruptcy, manslaughter,

drugs, rural poverty, in-vitro fertilisation, adultery, divorce, single motherhood, abortion, theft, imprisonment, and racial attack.

No euthanasia yet, although the ancient gamekeeper, Tom Forrest, is so utterly, stupefyingly miserable that it cannot be long before he is asking someone to put him away, or before one of his relatives suggests that helping him on his way might, after all, be a kindness, "in his own best interests".

In the early days, problems occurred less often and were handled with some delicacy. When Nora Salt moved in to share the gamekeeper's house, the vicar of Ambridge did not disapprove, and a large number of people wrote to complain about his liberality.

The production staff asked the BBC's Religious Broadcasting

Department whether Church of England vicars behaved like the vicar of Ambridge. The then head of department, now the Very Reverend Michael Mayne, Dean of Westminster, said, rather ambiguously, that he hoped they would. But the editor decided to make the position crystal clear. A few weeks later, Nora Salt was making a labourious point of decorating her own bedroom.

Domestic violence is only the latest twist in this every-day story of country folk, one more social problem to add to the list and liven the daily round of milking, muck and gossip. True to form, the current editor, Vanessa Whitburn, who came to *The Archers* from *Brookside*, has done her homework.

Somewhere in the region of a quarter of all women in Britain experience physical violence at

some time in their lives. It is not the preserve of drunken, angry, working class louts. Women are hit by sober, angry bankers, by politicians, by lawyers and by clergymen. Nor is it only the stupid and weak who are assaulted. Resourceful, strong women may be victims, whose self-esteem may be so damaged by the experience that they become weak and stupid, and allow it to continue.

The victim in *The Archers* is strong, clever, recently bereaved and vulnerable. The dastardly villain is Simon Pemberton, a landed gentry and what will happen next? Research indicates that a man capable of hitting once will hit again, and again. But will Shula listen to his abject protestations of remorse and come back for more?

Whatever happens, it will be true

to someone's experience. *The Archers* is meticulously researched. Some years ago, the vicar of Ambridge was agonising over whether to marry someone who was divorced, and as I had experience of this, I was asked to write a brief for the script writers, which they followed almost to the letter. It was my one and only official contact.

But a few people in the village where I was working knew about it, and one day the churchwarden's wife came to see me, in some distress. "Are you trying to tell us something?" she asked. "Not that I know of," I replied. "Why do you ask?" "Because," she said, "the vicar of Ambridge is trying to get rid of his churchwarden."

I protested my innocence, but from then on, the coincidences multiplied. Phil Archer's sheep suffered

from enzootic abortion, just when my flock of 50 breeding ewes were dropping their lambs for the same reason. Within days of the announcement that I was leaving, the vicar of Ambridge also announced his departure, and he, like me, was replaced by a priest-in-church. Coincidence it may be, but *The Archers* endures because it is, at one and the same time, true to life and larger than life.

Like all the best soap, it holds up a mirror in which people may sometimes recognise themselves, and perhaps find in them the courage to change. Like life, it is sometimes trivial and dull. Ted Willis, who wrote the early scripts for *Mrs Dale's Diary*, eventually became bored. He is reputed to have handed in a script in which the entire cast went on a seaside outing and all died when their bus careered over a cliff. It was not broadcast.

Such desperate measures are unlikely to overtake Ambridge, not when there are dramatic events such as Shula being struck across the face by a man like Simon Pemberton.

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Weekend Investor

Wall Street

After the stampede, the stock-taking

Maggie Urry reports on a top portfolio manager who is not running with the herd

No self-respecting western is complete without a stampede. Close-ups of cattle thundering across the prairie, kicking up dust and trampling unfortunate cowboys in their path, are essential. Usually the hero, astride his rearing horse, yells to his fellow drovers: "Don't try to stop 'em, turn 'em," although it is a mystery how he can be heard.

Equally, the stock market has its stampede cliché. It is even reflected in the nickname and logo of Merrill Lynch, America's leading private client broker, which is called "the thundering herd" and has a bull with a raised front foot and tail up as its trademark.

The herd of US investors has grown sharply. This week Arthur Levitt, chairman of the US Securities and Exchange Commission, which regulates the securities markets, addressed a "town meeting" of such investors in New York. He told them a "startling new economic fact... for the first time in history, mutual fund assets, at about \$3,000bn, now exceed the deposits of commercial banks".

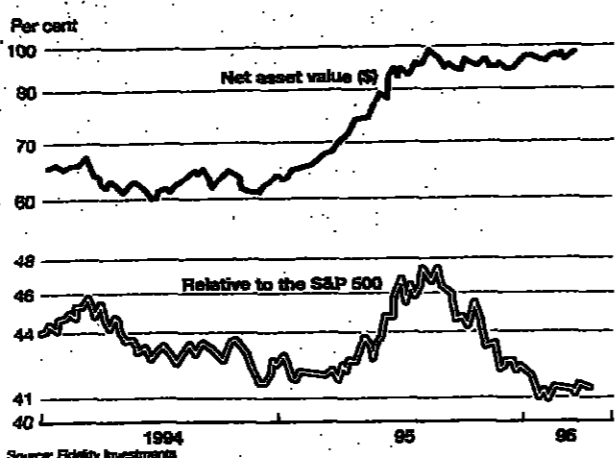
Levitt added: "You are the biggest holders of American stocks and bonds. Not the banks, not the insurance companies, not big businesses - but people like you." Most hold stocks through mutual funds.

Many market commentators feel the stampede into stocks by these private investors has been behind the rise in the indices. Jeffrey Vinik, portfolio manager of the Fidelity Magellan fund, the largest mutual fund in the US, wrote just that in the fund's annual report this week.

He said: "Throughout 1995, and even more so thus far in 1996, the herd continued to pour heavily into the stock market." With the fund he runs totalling \$56bn, Vinik might constitute a herd on his own. He went on: "I believe it is critical not to be part of the herd when investing in financial markets. Just because most investors are moving in a particular direction doesn't make it the best direction. In fact, often it has meant the opposite."

Vinik's remarks were, perhaps, an attempt to justify his decision to move nearly 30 per cent of his fund into bonds and cash, a shift which has significantly hurt the fund's performance in recent months. With equities continuing to roar

Magellan blown off course



ahead, and bond prices falling as inflation fears reawakened, the Magellan fund underperformed the Standard & Poor's 500 index sharply in the second half of 1995 and has been lagging so far this year, too.

If Vinik was one of the people who started the stampede into stocks, is he now the cowpoke whose shout of "turn 'em" cannot be heard over the thundering of hooves? And will he be trampled by the oncoming herd?

The stock market has spent this week making another run at the record of almost 5,600 set in early April on the Dow Jones Industrial Average, and was trading close to that level yesterday. Meanwhile, the Nasdaq stock market has recorded a series of new highs.

If Vinik is nervous, though, he showed no sign of it in an interview published in the annual report. He admitted that the fund's recent performance had been "disappointing" but stuck to his line that he was taking a long term view.

It is perhaps churlish to mention the old stock market joke that the definition of a long-term investment is a short-term one which went wrong.

The fund is now invested in a variety of areas which are out of favour with the herd. As well as bonds, Vinik has switched heavily into cyclical stocks such as construction and transport companies, and those making durable goods, industrial machinery and cars. His top 10 holdings include car-makers Chrysler and General Motors, Caterpillar and Deere, the heavy equipment groups, and rail companies CSX and

Conrail.

He has also boosted the fund's energy weighting in expectation of higher oil and gas prices, with Exxon and Royal Dutch in the top 10, while taking profits in financials and, most famously, in technology. Vinik cut the proportion of the fund invested in technology stocks from 45 per cent in April last year to under 4 per cent by the end of its financial year in March.

Thus he has, in his terms, switched from areas now popular to ones where "investor expectations are low". He even came up with the politician's stock answer ("that's a good question") when presented with the apparent contradiction that the fund's cyclical stocks would do well in the sort of economic environment which would be bad for its bond position.

His weighting in bonds and cash is about as far out of stocks as the manager of a fund committed to equity investing can go. Meanwhile, he has moved his equity holdings as far out of the stampede's path as he can manage. Now all he has to do is wait for the herd to change course and sweep him along to a better performance.

That is, if the herd has not run so far in the opposite direction that he is left standing alone on an empty prairie gazing at a diminishing dust cloud.

Dow Jones Ind Average

Monday	5,582.60 + 64.46
Tuesday	5,624.71 + 42.11
Wednesday	5,625.44 + 0.73
Thursday	5,635.05 + 9.61
Friday	

London

First the carrot, then the stick

Philip Coggan looks back on a week of contrasts

It is the nightmare of every home-owner. You are just showing a prospective buyer round your bijou suburban semi when the Hell's Angel next door starts playing Def Leppard at full volume, causing a plaster-crack to extend slowly across the party wall.

The government must have felt a bit like that this week. While it was trying to interest international investors in buying shares in Railtrack, Ofgas was bringing home the dangers of owning shares in regulated industries. A strict review on price controls at Transco, the pipeline subsidiary of British Gas, caused the shares to reach their lowest level for six years and was responsible for half Monday's fall in the FT-SE 100 index.

The move provoked memories of March 1995 when Stephen Littlechild, the electricity regulator, announced a surprise review of price controls on the regional electricity companies - just after the govern-

ment had sold its remaining stake in the generators, National Power and Powergen. The Ofgas report also came shortly after Ian Lang, the trade and industry secretary, had stunned the markets by blocking bids from National Power and Powergen for two of the regional electricity companies. He also indicated that he would block any bids for the generators themselves.

In the face of this rather erratic treatment, one could forgive international investors from shying away from privatised stocks, especially as a Labour government might be only 12 months away. Nor would it be surprising if Sid, the private investor lured into British Gas by a high-powered advertising campaign, was not amused. The shares have underperformed the All-Share index by 55 per cent since the start of 1995.

Fortunately for the government, the investment community is either of a forgiving nature or the incentives to buy

Railtrack were just too good to resist. In the end, the retail offer was almost three times subscribed and, in the grey market, the partly-paid shares have been trading above the offer price of 200p (190p for small investors).

Sometimes, a week passes on the stock market with very little hard news to report, and it is difficult to see how market-makers justify all their trading activity. But this was one of those weeks where the information came thick and fast. There were corporate results from BT, Grand Metropolitan and Hanson, among many others; a profits warning from BTR; news of special dividends and share buybacks; a Bank of England inflation report; and a host of economic data.

On the economic front, there was little in the data to justify a change of view about the UK economy. The headline rate of inflation dropped to 2.4 per cent, although there was a rise in the rate of average earnings growth, a possible precursor of



You were about to sell your bijou semi...

inflationary pressures later in the cycle. Unemployment fell, but only by 3,200 on a seasonally adjusted basis. The public sector borrowing requirement continued to run at high levels.

In short, the economy is growing, but not that fast; inflation is subdued, but far from dead; and the chancellor would appear to have remarkably little scope, if he is to be economically and fiscally responsible, to cut either interest rates or taxes.

Fortunately for UK investors, the market received a lift from US data which showed little sign of inflationary pressures, despite the strength of the economy in the first quarter and the recent surge in commodity prices.

The yield on the 30-year Treasury bond has fallen back below 7 per cent, allowing the Dow Jones Industrial Average to climb back towards its record high.

The rally on Wall Street helped the FT-SE 100 index to withstand the effect of the British Gas fall and of the BTR profits warning, which was the latest bad news from a conglomerate that has disappointed the City repeatedly over the past few years.

Further bid speculation also helped sentiment, with hopes for further restructuring in the insurance sector in the wake of the proposed Royal Insurance/Sun Alliance merger, and the apparent continued progress of talks between Lucas and the US group Varty.

Talkovers injected cash into institutional coffers in 1995, but the main liquidity impetus behind the market this year could turn out to be special dividends and share buybacks.

National Power is returning more than £1.13bn to shareholders in the form of a special dividend and a 49 per cent increase in the regular payment; Powergen is buying back £400m worth of its shares; and supermarket group Argill revealed its intention to buy back 10 per cent of its stock.

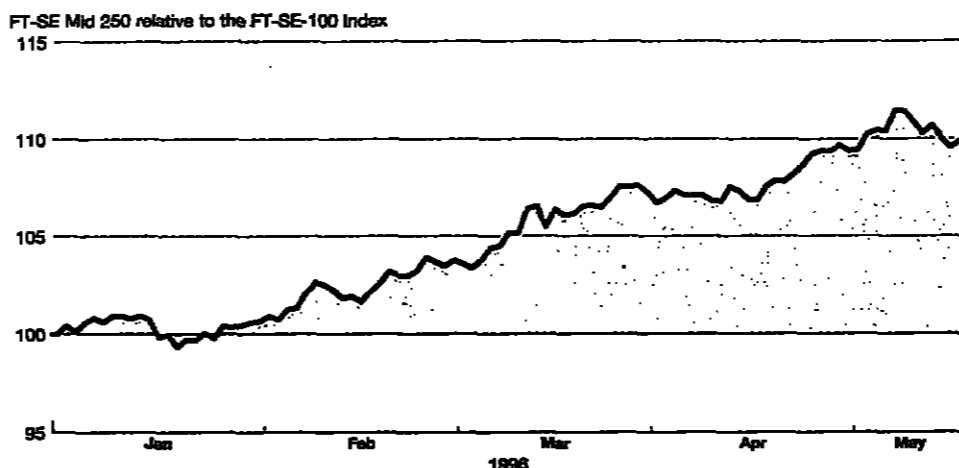
This liquidity is helping Footsie to keep in the middle of its recent 3,650-3,850 range despite the best efforts of the regulators. But, as the graph shows, the real action this year has been in smaller company stocks; the Mid-250 index has outperformed Footsie by 9.8 per cent since the start of 1996.

In part, this represents a rebound after smaller companies lagged their bigger brethren in 1995. Last year, investors were worrying that the economy might run out of steam in the face of higher interest rates; this year, rate reductions and tax cuts seem to have encouraged reasonable, if not sensational, economic growth. The smaller companies sector, which tends to have its operations in the UK, seems most likely to benefit.

Ian Williams, UK equity strategist at Panmure Gordon, expects Mid-Cap constituents to produce earnings per share growth of 17 per cent this year, compared with 13 per cent from FT-SE 100 stocks.

But Williams points out that Mid-250 stocks are on a 10 per cent p/b premium to the rest of the market. "The higher the premium, the greater the vulnerability to forecast downgrades, especially if the UK economy disappoints in the second half of 1996," he warns.

Leaving the FT-SE flat-footed



Highlights of the week

	Price	Change	52 week	52 week	
	YTD	on week	High	Low	
FT-SE 100 Index	3789.6	+35.2	3857.1	3282.7	Progress on Wall Street
FT-SE Mid 250 Index	4513.4	+0.8	4568.8	3589.7	Second-liners flag
Alders	228	-18	249	162	Disposal likely
Amstrad	161	-47	296 1/2	160	Dancal concern
British Gas	177 1/2	-50 1/2	317	174 1/2	Strict regulatory review
EFIF (Hedge)	273	+38	350	175	Bid talks
Glaxo Wellcome	854	+79	959	705	Encouraging agm statement
Greenalls	586	-28	636	454	Concerns after results
Hodder Headline	223	-37	390	213	Profits warning
Ockham	73	+18	77	38	Revised profit predictions
Perpetual	2568	+210	2568	1338	Good figures
Ramenet's (Harvi)	423	+43	437	245	Speculative interest
Sun Alliance	429	+18 1/2	434	318	Hope of rival bidder to Royal
T & N	198	-19	197	119	Litigation worries
TT Group	352	+13	354	245	Strong results



Barry Riley

Downsizing's dubious dividends

Shareholders should enjoy them - for as long as they last

Shareholders are on top - if not at British Gas, then in many other sectors of the UK economy. While the gilt-edged market blinked nervously this week at the uptick in average year-on-year employee underlying earnings growth to 3.75 per cent in March (compared with 3.25 per cent last autumn), shareholders recently have had dividend growth of 10 per cent.

There is plenty of feelgood factor in the stock market, which has risen by 16 per cent over the past year, but not enough of a warm glow spread around the country to give the government much chance of re-election.

This is not a specially British situation, either. There is a national phenomenon of insecurity in the US, where the broadly-based S&P 500 index has been hitting record highs this week. In fact, the stock market's capitalisation has risen to almost 90 per cent of GDP, beating the previous peak of 82 per cent in 1929.

The long-run average has been 45 per cent, according to David Hale of Zurich Kemper Investments in Chicago.

Wall Street's bulls have a ready justification: American companies have taken a global leap and you should no longer compare the market capitalisation of US multinationals with the mere domestic economy. Well, maybe. But it works both

ways and Japan, for instance, owns a large slice of the US motor industry.

Despite - or perhaps because of - the corporate prosperity, there is widespread discontent and insecurity among the US workforce. The big Fortune 500 companies have cut their employment levels drastically, from 15.5m to 11.5m jobs, since 1978. The US has created plenty of new jobs, but in small companies.

Enough is enough, says another US economist, Stephen Roach, of the investment bank Morgan Stanley. Slash-and-burn chief executive officers have delighted investors in many US companies as they have downsized and restructured but, in the end, this is a negative approach from the broad economy's point of view. You cannot grow through cost-cutting.

Why are people so insecure? In the UK, after all, unemployment has been falling, with only minor reversals, for 40 months now. Labour market studies suggest that, for all the hire-and-fire scare talk, the average length of a job is much the same as it was in the optimistic 1980s.

True, real incomes were squeezed after the tax rises of 1993 and 1994, but they are moderately buoyant again.

The difference in the labour market is that the balance of power has changed. In the 1980s, employees felt that they

could leave, if they wanted, and get another job at higher pay. Today, many of us worry that it will be the boss who decides when the job ends and that the next job, if there is one, will be lower paid and on less secure terms. Moreover, hard-learned qualifications will not last for a lifetime, as we assumed; adaptability is today's most valuable skill.

We can blame some of this on Nikolai Kondratieff. The disturbing combination of increased global competition and revolutionary technological change is a feature of the early stages of a long wave upturn.

As the Russian economist put it in his classic 1925 paper (in the Guy Daniels translation): "Before and during the beginning of the rising wave, we observe the broad application of these inventions in the sphere of industrial practice due to the reorganisation of production relations. The beginning of the long cycles usually coincides with an expansion of the orbit

of worldwide economic relations."

In the mid-1980s, there was a similar pattern of reasonably strong but uneven economic growth, focused on new industries, combined with massive unemployment elsewhere. Capitalism lost its nerve and there followed, throughout western Europe, post-war decades of controls and central planning.

This time round, more generous welfare systems are underpinning levels of consumption - but at the cost of spiralling public sector indebtedness. An increasingly aggressive and flexible corporate sector - even in Germany - is finding ways of outmanoeuvring the inflexible labour market. It is only by "hollowing out" through overseas expansion. Millions of expensive workers have been offloaded on to social security systems.

The European Commission had to wriggle unconvincedly this week to find any evidence that France and Germany will stay under the Maastricht budget deficit limit of 3 per cent of GDP in 1997. In any case, both countries are rocketing towards the 80 per cent ceiling on public sector debt as a proportion of GDP.

Nobody in Brussels seems very bothered that such minor details will prevent the single currency from being launched on time in 1999. But the growing fiscal crisis in Europe

is not any the less fundamentally serious for being, at present, buried in the general furor over economic and monetary union.

It is about time that the politicians woke up to the implications of the new corporate aggression. The UK government has been content to assume that prosperous companies and stable economic policies would trigger increased capital investment and generate an economic acceleration.

Chancellor Kenneth Clarke already has assumed a growth rate of 2 1/2 per cent over the next four years. But the capital investment trend is disappointing.

The Americans are talking about a "worker backlash" which is having political repercussions in Congress, where increases in minimum wages are under consideration. But this might succeed only in burdening the US with a European-style unemployment problem.

The point is whether prosperous employers can continue to offload the costs of worker retraining and labour market dislocation on to the workers themselves and on to the fast-emptying public purse. At the very least, corporate taxes will have to rise. Companies cannot expect to grow rich independently of the rest of the economy. Enjoy those dividends while they last.

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Grid of financial data for various fund categories including Money Market Trust Funds, Money Market Bank Accounts, and various equity and bond funds. Columns include fund names, providers, and performance metrics.

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Main grid of financial data for various fund categories including Money Market Trust Funds, Money Market Bank Accounts, and various equity and bond funds. Columns include fund names, providers, and performance metrics.

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Table of fund prices including columns for fund name, price, and change. Includes sections for 'Morgan Stanley Sicav' and 'Merrill Lynch Asset Management'.

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OTHER OFFSHORE FUNDS

OFFSHORE INSURANCES

Table of offshore insurance products including columns for product name, price, and change.

MANAGED FUNDS NOTES: Please refer to the notes on the previous page for details on the fund's investment objectives and risks.

AMERICA

Bond market strength lifts share indices

Wall Street

Strength in the bond market and activity linked to yesterday's expiration of futures on shares and share indices helped to send US stocks higher in early afternoon trading, writes Lisa Bransten in New York.

In the first 45 minutes of trading the Dow Jones Industrial Average rose by more than 50 points, triggering the "downtick rule" that restricts some program trading. By 1 pm the Dow was up 52.08 to 5,687.13, which was within 3

Philip Morris

Shares in AMR, parent company of American Airlines, and American depositary receipts of British Airways were higher in New York trading on reports that the two carriers were considering a strategic partnership. AMR rose \$1 to \$95 and ADRs of BA were \$2 stronger at \$94.

Meanwhile, the Standard & Poor's 500 seemed on its way to a second consecutive record with a gain of 4.10 to 688.95. The American Stock Exchange composite gained 2.92 to 804.93. Volume on the NYSE came to 251m shares.

The Nasdaq composite was also on course to pass Thursday's closing record, although at midday it was underperforming other indices as technology shares remained under pressure.

The Nasdaq had a gain of points of its previous record closing high of 5,689.74 set on April 3.

Disappointing earnings left Gandalf Technologies down \$2.85 to \$32.15. Weaker results were also the cause of a 15 cent slide to \$32.85 in Molsen, the brewing and entertainment group.

Canada Toronto edged higher in mid-session trade, but it was unable to keep up with Wall Street. The TSX 300 composite index was 6.46 higher by noon at 5,214.80 in hefty volume of 58m shares.

Disappointing earnings left Gandalf Technologies down \$2.85 to \$32.15. Weaker results were also the cause of a 15 cent slide to \$32.85 in Molsen, the brewing and entertainment group.

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EUROPE

Frankfurt comes out of its shell as Dow climbs

As Wall Street came out of its shell in the European afternoon, FRANKFURT did likewise. The Dax index, which had moved narrowly and inconclusively in official trading, when German equity turnover fell from DM3.3bn to DM6.7bn, woke up to close 17.89 higher, at an all-time high of 2,552.23.

The afternoon move was precautionary, in a sense. One senior professional said that some dealers were taking positions so that they would be able to trade if the Dax opened, say, another percentage point higher on Monday.

Moves in individual share prices, meanwhile, partly extended existing themes, and partly reflected brokers' views. Kaufhof and Henkel, both up 2.9 per cent on the day, added to gains registered earlier in the week: the retailer put on DM4.75 to DM58.75, and the specialty chemicals group DM18.50 to DM62.50. In steels, meanwhile, a broker recommendation left Krupp Hoesch up DM6.40 to DM240, and Thyssen DM3.20 better to DM283.20.

PARIS overcame weakness at the opening to end higher. The CAC-40 index rose 12.27 to 2,136.91 in lower than average turnover of FF3.1bn.

Among the non-CAC stocks, Dassault Aviation, which is very narrowly traded, gained

FT-SE Actuaries Share Indices

Table with columns: May 17, Hourly changes, Open, 10.30, 11.00, 12.00, 13.00, 15.00, Close. Rows include FT-SE 100, FT-SE 250, FT-SE 500, FT-SE 1000, FT-SE 2500, FT-SE 5000, FT-SE 10000.

FFR38, or 7.6 per cent, and equity activity was fairly subdued as the AEX index finished down 4.73 at 554.20.

Royal Dutch went ex-dividend and fell a net F13.10 to F1255.00. Brokers noted that

there had been some profit-taking by US institutions following a midweek high of F1264.

Baan, the computer software company, effected a two-for-one share split, which had been announced last month, and the stock ended the day at F167.00, a fall of F11.30.

index finished 20.5 higher at 3,593 in moderate trade, in spite of the expiry of options and futures.

Swissair registered rose SFY22 to SFY235, taking the rise since the start of the year to 45 per cent, on news that the airline and its pilots had concluded a long awaited collective labour agreement.

Among financials, SBC rose SFY150 to SFY232.35 on further switching from other banks.

MADRID responded to Wall Street and to the expiry of Iber futures, the general index closing 3.36 higher at 380.37 in turnover of Ptas1.5bn. It saw strength in banks and utilities, with Popular up Ptas10, or 2.3 per cent at Ptas22,450, and Endesa Ptas10, or 1.9 per cent, better at Ptas180.

HELSENKI continued to take a lead from Raising's record breaking gains, and the Hex index added 126 to 1,997.65.

Raising, the food, animal feeds and chemicals company, continued its remarkable upward progress, breaking through FM300 with further heavy overseas demand reported after upbeat reports on its Benecol margarine. The share finished FM18 or 6.7 per cent higher at FM326, off an intraday record FM307 and a fall 42.5 per cent higher on the week.

Tampella, the engineering group, picked up 8.4 per cent

and equity activity was fairly subdued as the AEX index finished down 4.73 at 554.20.

Royal Dutch went ex-dividend and fell a net F13.10 to F1255.00. Brokers noted that

there had been some profit-taking by US institutions following a midweek high of F1264.

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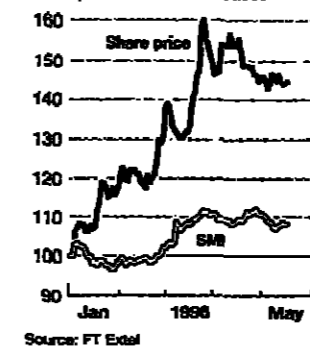
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Swissair

Share price and index rebound



on news that the Swedish engineer, Svedala, had widened an earlier all-share offer for the company by offering FM10.50 per share. Tampella rose FMF0.80 to FM10.30.

STOCKHOLM climbed to a record high, boosted by a strong performance in Astra and by a 1.5 per cent rise in the forestry sector. The Affärsvärlden General index rose 10.0 to 1,988.1 as Astra picked up SKr3 to SKr30.

Swedish Match rose SKr1 or 4.6 per cent to SKr22.90 in heavy trade following its debut on Wednesday. Analysts suspected that many potential investors may initially have been put off by strenuously critical advertising campaigns

Written and edited by William Cochrane, Michael Morgan and John Pitt

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ASIA PACIFIC

Nikkei falls 1% with brokers and oils under pressure

Profit taking and position adjustment depressed share prices and the Nikkei average fell 1 per cent, losing ground for the first time in several days, writes Emiko Terazono in Tokyo.

The 225 index closed 230.61 down at 21,916.60, having traded between 21,815.11 and 22,131.73. Brokerage dealers sold their positions ahead of the weekend while domestic institutions took profits.

Investment trusts were also seen selling leading blue chips against 558m. Technical activity and speculative trading by individuals dominated trading.

The ToPIX index of all first-section stocks fell 33.20 to 1,654.33 and the Nikkei 300 by 2.53 to 311.18. Declines led advances by 773 to 313 with 141 unchanged.

In London, the ISE/Nikkei 50 index was up 0.11 to 1,466.69. Brokers came under selling pressure, Nomura Securities falling Y10 to Y2,000 and Nikko Securities Y30 to Y1,250.

The sector reported improved profits for the year to last March, but traders said that it had yet to discount bad loans at subsidiaries announced this week.

Oil refiners, which had gained ground on higher crude oil prices, suffered profit taking. Nippon Oil declined Y12 to Y684 and Showa Shell Sekiyu lost Y50 to Y1,100.

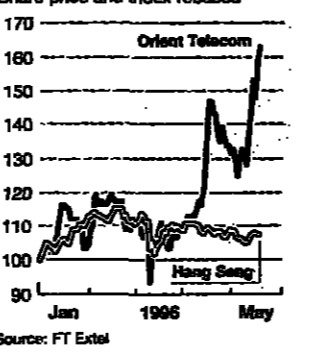
Kyocera fell Y250 to Y7,550 in spite of favourable earnings results released on Thursday. Investors were discouraged by the company's weak outlook for the current year to March, in which consolidated net profits are expected to decline by 15 per cent.

Profit taking eroded large capital steels and shipbuilders. Nippon Steel fell Y5 to Y372 and Mitsubishi Heavy Industries declined Y5 to Y297.

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Orient Telecom

Share price and index rebound



Denki gained Y98 to Y856 and Copal, the camera shutter manufacturer, rose Y20 to Y1,170.

In Osaka, the OSE average fell 191.44 to 33,404.59.

Serious doubts about the survival of a new minority government put BOMBAY in a pessimistic mood, and the BSE index lost 37.15 to 3,795.56.

The BJP party was asked to form a government on Wednesday after becoming the largest party in a hung parliament, it has until May 31 to prove that it has majority support in the new 545-seat assembly.

BLANKETE'S SET index ended the session slightly lower, off 2.14 at 1,800.20 in turnover of B5.6bn.

The telecom sector suffered heavy selling with TelecomAsia and National Finance both down after disappointing first quarter results on Thursday. TelecomAsia, the session's most active issue, lost B4 to B56.5 and National Finance B1 to B106.

TAIPEI reversed an early gain to end lower as the weighted index fell 74.21, or 1.2 per cent, under a 6,022.72 in turnover of T\$45bn.

Before yesterday's session, investors had expected a celebratory pre-inauguration rally, hoping for government measures to boost the stock market; brokers had noted some buying by government-related

funds in the financial sector. However, this was not apparent yesterday. Construction and electronics fell, the latter by 2 per cent as a group with ASE, a maker of semiconductors, down T\$8 to T\$46.70.

HONG KONG featured more relative strength in Orient Telecom & Technology which hit HK\$4.20 intraday, and closed 10 cents higher at HK\$3.75 after it announced a distribution of its interest in TelecomAsia to shareholders.

The Hang Seng index ended 16.58 lower at 10,816.85 as turnover fell another year's low, HK\$2.97bn against Thursday's adjusted HK\$3.05bn.

Defensive utilities drew some buying interest amid the blue chip lull. HK Telecom gained 5

cents to HK\$15.05, China Gas 15 cents to HK\$12.15 and HK Electric 25 cents to HK\$24.50.

SHANGHAI was supported by domestic buying of property issues, as the B index, which charts shares available to overseas investors, gained 0.33 to 49.88. Volume was 13.8m valued at \$5.5m.

The A index, charting shares available to Chinese nationals, surged 30.69 to 742.49 on volume of 892.1m shares.

Brokers said that local fund managers bought stocks of property developers on both the A and B markets as part of a speculative move intended to encourage further buying in the same sector by other investors.

Shanghai Zhangjiang Hi-Tech Park Development, gained Yn2.95 to Yn23.2 on volume of 1.37m shares.

In SHENZHEN the A index added 4.83 to 180.85, while the B index edged up 0.57 or 1.3 per cent to 67.33. Turnover nearly doubled to HK\$9.52m.

SINGAPORE saw renewed selling in property stocks, with the SES property index ending 8.84 lower at 678.34. DBS Land fell 14 cents at \$84.64, and Wing Tai down 15 cents at \$82.91. The Straits Times Industrial index fell 6.10 to 2,341.79.

Want Want, the snacks company which made its market debut this week, put in another strong performance, topping the actives list in 26m shares and closing 29 cents higher at US\$2.38.

Written and edited by William Cochrane, Michael Morgan and John Pitt

THE WEEK'S CHANGES

Table with columns: % Change, Frankfurt, Milan, Stockholm, Madrid, Paris, Zurich, Amsterdam.

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Mexico up on data

Mexico City opened higher as investors were encouraged by good first quarter GDP data. By midday the IPC index was up 37.08 to 3,863.29, after the ministry said that first quarter GDP had fallen by just 1 per cent against the same period a year earlier. Analysts' expectations had been for a decline closer to 2.5 per cent.

SAO PAULO was stronger at midsession as Telebras provided the incentive for buyers to come into the market. The Bovespa index was up 534.35 or 1 per cent at 55,291.

Telebras reported a higher-than-expected profit for the first quarter, and the shares stood \$21.29 higher at \$346.49 by midday.

While Telebras was expected to set the tone of the market throughout the day, analysts said that worries over the privatisation of Rio's power distributor, Light, could reduce

overall gains. BUENOS AIRES was in good spirits and the Merval index advanced through the 800 level to stand up 7.82 at 806.89 by mid-session.

CS First Boston said last night that it had upgraded Brazilian equities to "slight overweight" from "slight underweight", and had reduced its weighting in Chile to "underweight" from "overweight" in its model portfolio.

The broker explained that, "at current levels, the potential earnings growth for the Brazilian stock market in 1996 and the attractive valuations more than offset the short-term risk tied to the slower-than-expected pace in the constitutional reform process".

CS First Boston raised Brazil's allocation to 45 per cent from 39 per cent, and cut Chile's weighting to 8 per cent from 14 per cent.

lost \$7.5 to 7,821.7 and the gold index rose 1.5 to 2,028.2. Among the major movements, Anglo led R5 to R285, Absa lost R1 to R22, Anglo led R9 to R435 and Iscor eased 1 cent to R3.35.

SA Breweries improved R1 to R124 and Liberty Life slipped R4 to R121.

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Tokyo

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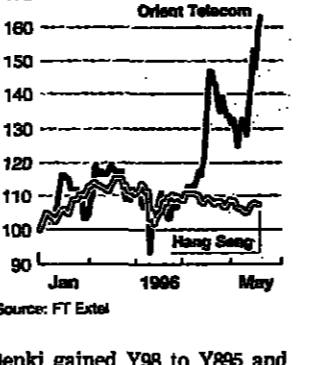
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Orient Telecom

Share price and index rebound



LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service. Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Tailsman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant code.

‡ Bargains at special prices. † Bargains done the previous day.

British Funds, etc 001897

Treasury 13 1/2% 2000/03 - £122.4 (14M/96)

Corporation and County Stocks

Birmingham District Council 11 1/2% Red 2012 - £120 (14M/96)
Bristol City 10 1/2% 2000/03 - £122.4 (14M/96)

UK Public Bonds

Port of London Authority 3 1/2% Port of London A 25/25 - 130
Port of London Authority 3 1/2% Sk 49/9 - 130

Foreign Stocks, Bonds, etc (coupons payable in London)

Abbey National Sterling Capital PLC 5 1/2% Subord Gtd Bds 2004(20/04) - £120.5 (14M/96)
Abbey National Treasury Servs PLC 5 1/2% Gtd Bds 2005 (5/5) - 97.75 (97/4) (14M/96)

Abbey National Treasury Servs PLC

PTES 5 1/2% Nts 5/11/96 - PE98.67 (14M/96)
Abbey National Treasury Servs PLC 5 1/2% Gtd Bds 2005 (5/5) - 97.75 (97/4) (14M/96)

Starting Issues by Overseas Borrowers

Bank of Greece 10 1/2% Ln Sk 2010(Pag) - £105.3
Credit Foncier de France 10 1/2% Ln Sk 2010(Pag) - £105.3

Listed Companies(excluding Investment Trusts)

ASH Capital Finance/Jersey Ltd 9 1/2% Crv Cap Bds 2005 (Reg 10/03) - £105.3 (14M/96)
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British Water Hedges PLC 6 7/8% Cum Crv Red Pft 2010 - £110 (14M/96)

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Unithat PLC Crv Cum Red Pft 2010 - 75

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Pacific Gas & Electric Co Ltd Crv Cum Red Pft 2010 - 100

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Sovereign River Crossing PLC 6% Incessant Div 2012 (5/10/96) - £120 (14M/96)

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Vickers PLC 5% Cum(For) Free To 300Pft Crv Cum Red Pft 2010 - 100

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Clintone Shared Equity Trust PLC General Div 10p - 94 1/2

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Handwritten signature or mark at the top center of the page.

LONDON SHARE SERVICE

RIV TRUSTS SPLIT CAPITAL - Cont.

Table listing various river trusts with columns for company name, price, and other financial data.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies with columns for company name, price, and other financial data.

OTHER FINANCIAL - Cont.

Table listing other financial companies with columns for company name, price, and other financial data.

PROPERTY - Cont.

Table listing property companies with columns for company name, price, and other financial data.

SUPPORT SERVICES - Cont.

Table listing support services companies with columns for company name, price, and other financial data.

AIM - Cont.

Table listing AIM companies with columns for company name, price, and other financial data.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for company name, price, and other financial data.

LIFE ASSURANCE

Table listing life assurance companies with columns for company name, price, and other financial data.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for company name, price, and other financial data.

RETAILERS, FOOD

Table listing food retailers with columns for company name, price, and other financial data.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for company name, price, and other financial data.

AMERICANS

Table listing American companies with columns for company name, price, and other financial data.

INVESTMENT COMPANIES

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MEDIA

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PHARMACEUTICALS

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RETAILERS, GENERAL

Table listing general retailers with columns for company name, price, and other financial data.

TEXTILES & APPAREL

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CANADIANS

Table listing Canadian companies with columns for company name, price, and other financial data.

OIL EXPLORATION & PRODUCTION

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PROPERTY

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PHARMACEUTICALS - Cont.

Table listing pharmaceutical companies (continued) with columns for company name, price, and other financial data.

RETAILERS, GENERAL - Cont.

Table listing general retailers (continued) with columns for company name, price, and other financial data.

WATER

Table listing water companies with columns for company name, price, and other financial data.

SOUTH AFRICANS

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Scheme set to face close competition scrutiny

BT and Murdoch plan UK digital TV venture

By Hugo Dixon in London

British Telecommunications is in advanced negotiations with Mr Rupert Murdoch's BSkyB about forming a joint venture to promote digital television and interactive services in the UK.

to portray their box as an "open platform" which will receive services from different broadcasters and service providers.

interactive services to generate greater usage of its network; it also wants to gain expertise in pay-TV in the expectation that the current ban on broadcasting entertainment over its own network will be removed after the next general election.

Argentine football club plays the long bond game

By David Pilling in Buenos Aires

The short ball and the long ball alike having failed utterly to yield results, Boca Juniors, Argentina's renowned but success-starved football club, is considering betting on a new tactic - the long bond.

THE LEX COLUMN

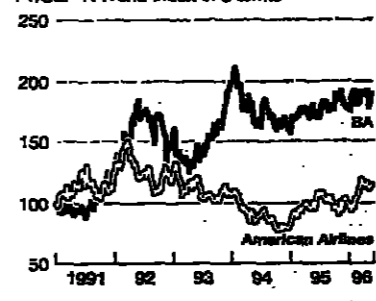
BT's blue Sky

Mr Rupert Murdoch's BSkyB and British Telecommunications - one baccaraing, the other stodge - may not look natural allies. But they have one thing in common - knowing a good monopoly when they see it.

FT-SE Eurotrack 200: 1729.0 (+2.1)

International airlines

Share price relative to the FTSE-100 World index in \$ terms



Source: FT Intel

money goes to everyone, whereas buy-backs tend to be snapped up by institutional investors. The intention sounds admirable, but the logic is flawed.

M&A under Labour

A frequent explanation for the bundle of UK mergers and acquisitions activity is that companies are in a rush to complete deals before the arrival of a more interventionist Labour administration.

Honda set to raise engine output in US

Continued from Page 1

caution. "We must carefully decide how to proceed," he said. Honda said it would manufacture its new ultra-low emission vehicle engine - to be introduced in late 1997 - at its Ohio plant in the US.

Washington calls for US-China summits

Continued from Page 1

forces in the recent missile crisis had shown that the one-China policy was based in part on the understanding that Beijing would pursue a peaceful resolution of its differences with Taipei, Mr Christopher said.

with China," he said. "The sanctions list issued this week should not be seen as the end of the process - but as a step that could lead to a successful outcome."

Airlines

The reason rumours of a tie-up between American Airlines and British Airways refuse to go away is simple: the logic is overwhelming. The snag is that the obstacles might be too. Apart from the inevitable practical complexities of stitching together such an alliance, it would probably run into a regulatory morass as well.

National Power

National Power's hefty £1.1bn special dividend is a big step in the right direction; it certainly put PowerGen's £400m share buy-back in the shade. If anything, though, it simply underlines the formidable strength of the generators' balance sheets; even after the payout, National Power's interest cover will still be a fat 6.7 times - and it will still be throwing off handsome amounts of cash.

Sony sparks video game war

Continued from Page 1

the early 1990s as games enthusiasts awaited the introduction of the 32-bit systems. The market has revived since the PlayStation and Saturn launches.

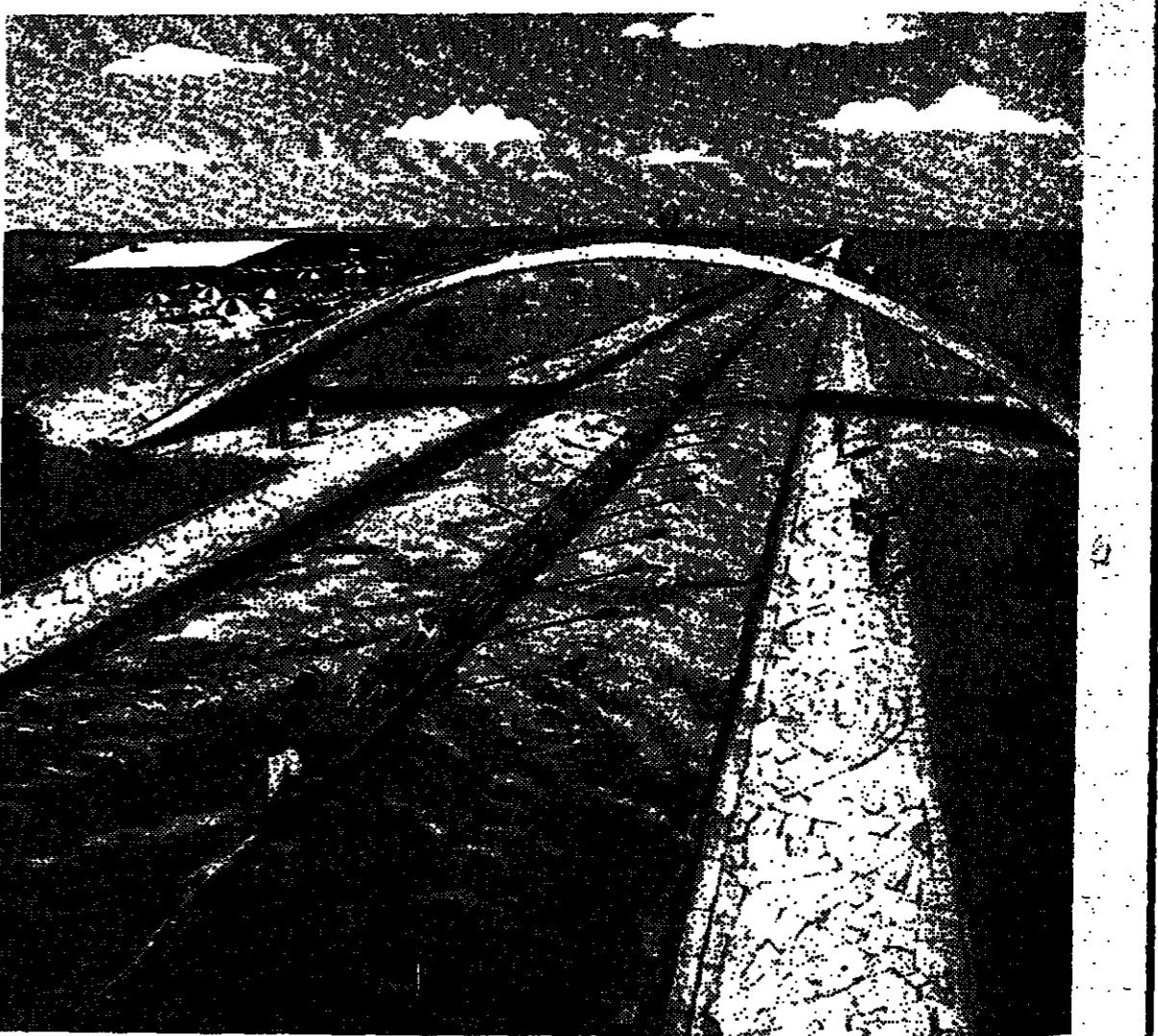
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FT WEATHER GUIDE Europe today Most of western Europe is expected to be unsettled. Large areas of thick cloud and rain with thunder storms will move from south-west to north-east. Five-day forecast Most of western Europe will continue unsettled throughout next week with short intervals of fair but rather cool conditions.



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